

In the State legislature he had an outstanding record, again in a field where he was advocating successfully legislation to build a better day for the unfortunate and underprivileged. He devoted a great deal of study to the question of housing, particularly slum clearance. On a number of occasions he went to European countries at his own expense, remaining there 1 full year on one trip, in order to study the methods used by the other countries which are so far ahead of us in the construction of houses for the underprivileged and in the clearance of slums.

Mr. Straus is a man of the highest character, a man of exceptional ability. I am one of a great number who is very happy that he saw his way clear to accept this office when it was proffered by the President of the United States. I have the greatest confidence in his integrity and capacity, and sincerely believe that if confirmed his conduct of the office of Administrator will justify that confidence to the fullest extent.

Mr. COPELAND. Mr. President, it would be most ungenerous of me if I did not say a word about this matter.

Mr. Nathan Straus and Mrs. Straus, father and mother of the nominee, were close friends of mine. I think Mr. Nathan Straus, the father, was the greatest philanthropist our generation has known in America. The importance of what he did for child life in our country is beyond all measure. The work of Mr. Nathan Straus, Sr., extended far beyond the borders of our country.

He talked with me 20 years ago about what he hoped to do in Palestine and he did as a matter of fact establish the Straus Medical Center in Jerusalem and at another point, Tel Aviv, in Palestine. The Senator from Vermont [Mr. AUSTIN] and I were privileged last year to visit both those institutions.

The nominee, Mr. Nathan Straus, Jr., has been brought up in this atmosphere of philanthropy. The father gave until he was poor in money, and the son has witnessed good works all his life. I have no question that he will continue in his Federal office the same high degree of excellence that he has shown in his public work in the city and State of New York.

I wish to say to the Senator from Michigan [Mr. VANDENBERG] that I think he has been most generous today in what he has said and in his attitude in the matter.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Mr. Straus? Without objection, the nomination is confirmed.

Mr. COPELAND. Mr. President, the matter having been held over under these circumstances, and now happily concluded, I request that the President may be notified.

The PRESIDING OFFICER. The Senator from New York asks unanimous consent that the President be notified. Is there objection? The Chair hears none, and the President will be notified.

That concludes the Executive Calendar.

#### RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 36 minutes p. m.) the Senate took a recess until tomorrow, Thursday, December 9, 1937, at 12 o'clock meridian.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate December 8 (legislative day of November 16), 1937*

##### UNITED STATES DISTRICT JUDGE

John H. Druffel to be United States district judge for the southern district of Ohio.

##### UNITED STATES HOUSING AUTHORITY

Nathan Straus to be Administrator of the United States Housing Authority.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, DECEMBER 8, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We draw near to Thee, our Father, not as unto a fearful and an avenging God but to One who is touched with a feeling of our infirmities. To everyone that heareth, and to everyone that will, the call is to life, hope, and joy. We thank Thee for the providence which has kept us through another night and for the miracle of dawning light flushing the east with the prophecy of day. We praise Thee for the fresh life coursing through our weakness and for the power to stand erect. We bless Thee for the noble men and women whose generous hearts have lit the altar fires of philanthropy in many a dark and desolate home. Hear our supplication, O Lord our God; all that is in the heaven and the earth is Thine. Riches and honor cometh from Thee, and Thou reignest over all. We therefore thank Thee and praise Thy glorious name. In the dear Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. WILCOX. Mr. Speaker, I ask unanimous consent that on tomorrow, immediately after the reading of the Journal and the disposition of business on the Speaker's desk, I may be permitted to address the House for 35 minutes. In the event the farm bill has not been disposed of prior to tomorrow, I ask that I may be permitted to address the House for 35 minutes immediately after the disposition of that measure.

The SPEAKER. The Chair calls the attention of the gentleman from Florida to several previous orders of the House for gentlemen to speak under the same contingencies.

Mr. WILCOX. My request is made subject to prior orders, of course, Mr. Speaker.

The SPEAKER. The gentleman from Florida asks unanimous consent that on tomorrow, after disposition of matters on the Speaker's table, and following the legislative program of the day and the special orders heretofore entered, he may be permitted to address the House for 35 minutes. Is there objection?

There was no objection.

Mr. SHANNON. Mr. Speaker, I ask unanimous consent that after the disposition of the business of the House on Friday and following the remarks of the gentleman from Michigan [Mr. HOFFMAN] I may be permitted to address the House for 15 minutes.

The SPEAKER. The gentleman from Missouri asks unanimous consent that on Friday, after the disposition of matters on the Speaker's desk and the legislative program of the day, following the remarks of the gentleman from Michigan [Mr. HOFFMAN] he may be permitted to address the House for 15 minutes. Is there objection?

There was no objection.

#### EXTENSION OF REMARKS

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by including a letter from William Green, president of the American Federation of Labor, on the wage and hour bill, together with a proposed bill supported by the American Federation of Labor.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

Mr. JONES. Mr. Speaker, I regret to object, but there is a Member here who wants 3 minutes, and I have told him I would rather he would wait until we get into the farm bill and then seek recognition.

Mr. FISH. I am perfectly willing to withdraw the request if the gentleman is not going to be too strict in his interpretation of the farm bill with respect to my remarks.

I withdraw the request, Mr. Speaker.

Mr. O'CONNELL of Rhode Island asked and was given permission to extend his remarks in the RECORD.

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and to include therein an address recently delivered at Wichita by Henry Wallace on the subject of wheat.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. RICH. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. RICH. I want to call the Chair's attention to the fact that the Treasury statement—

The SPEAKER. For what purpose does the gentleman from Pennsylvania rise?

Mr. RICH. I wanted to ask unanimous consent that I may call the attention of the House to the condition of the Federal Treasury—

Mr. PATMAN. Regular order, Mr. Speaker.

The SPEAKER. The gentleman from Pennsylvania must proceed in order and submit a unanimous-consent request.

Mr. RICH. They do not want to hear it, Mr. Speaker.

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8505) to provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce.

The motion was agreed to.

Mr. BOYER. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

The SPEAKER. The Chair will state to the gentleman that the House had already decided to resolve itself into the Committee of the Whole and the Chair had announced the decision.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8505, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. BOYER. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman from Illinois will state his point of order.

Mr. BOYER. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and seven Members are present, a quorum.

When the Committee rose yesterday there was pending an amendment which had been offered by the gentleman from Illinois [Mr. LUCAS], which the Clerk will again report.

The Clerk read the Lucas amendment, which is as follows:

Amendment offered by Mr. LUCAS: On page 14, line 19, strike out all after the period and down through the period in line 24 and insert in lieu thereof the following: "The Corporation shall make loans during any marketing year on field corn produced on farms in the commercial corn-producing area, as defined in section 321 (f), on which the acreage planted was not in excess of the farm acreage allotment, and said loans shall be made on the following percentages of parity price for field corn as of the beginning of such marketing year:

"Eighty percent if the November production estimate for the current crop of field corn does not exceed a normal year's domestic consumption and exports;

"Seventy percent if such estimate exceeds a normal year's domestic consumption and exports by not more than 5 percent;

"Sixty percent if such estimate exceeds a normal year's domestic consumption and exports by not less than 5 percent and not more than 10 percent;

"Fifty-five percent if such estimate exceeds a normal year's domestic consumption and exports by more than 10 percent."

The CHAIRMAN. There was also pending an amendment to the amendment, offered by the gentleman from Wisconsin [Mr. BOILEAU], which the Clerk will again report.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU to the amendment offered by Mr. LUCAS: After the word "farms" where it first appears in said amendment, strike out the words "in the commercial corn-producing area as defined in section 321 (f)" and insert "(whether or not in the commercial corn-producing area as defined in section 321 (f))".

Mr. JONES. Mr. Chairman, I move to strike out the last word. At first blush I was inclined not to question this amendment, but on examination and on looking over the implications I think it would be very unfortunate both from the standpoint of the corn producers and from the standpoint of the country. The mandatory feature is objectionable for two reasons. This would make loans at fixed percentages mandatory, and would make those mandatory, regardless of whether a marketing quota went into effect. If you had mandatory loans at these figures, and they had no choice but to make them, they might start in and have an accumulation of loans, and never have any sort of marketing quota restrictions. Quotas might be voted down, and you might find yourself in a place where you would have a debacle on corn. In the second place, if it is made mandatory on corn, I find that all of the other commodities that are on an export basis or that are major crops, would also want the same thing to be mandatory. You cannot force people to buy commodities. You could get the rate of loans up to a figure that it seems to me would make it impossible. I have no objection to the schedules being placed as they are in this amendment. If the gentleman, instead of saying that the loan shall be made will strike out the words "shall be made" and insert "are authorized to be made", I would have no objection to the schedule. As a matter of fact, if the corn people have figured out the schedule they want, I would be perfectly agreeable to that. But I certainly do not feel that the good of the country or even of the corn producers would be furthered along down the years if we have mandatory loans at a stiffened price, and do not have them linked with the marketing quotas.

There is one other complication that has come in. The gentleman from Wisconsin [Mr. BOILEAU] has offered an amendment which would make the same type of loan available outside of the commercial corn-producing area. In those regions there could not be any quota under the corn-quota provisions. So that for the double reason—and I do not say there is no logic to the gentleman's position—certainly they could not have marketing-quota provisions outside of the corn area.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. BOILEAU. We have the same provisions in the present law.

Mr. JONES. Yes.

Mr. BOILEAU. Does not the gentleman believe that if the Lucas amendment is to be adopted, my amendment should also be adopted?

Mr. JONES. I would rather not pass judgment on that. I do say that I offered no objection. I tried to stay out, as far as the corn provisions were concerned, and I offered no objections to the amendment to the amendment offered by the gentleman from Wisconsin, but the gentleman realizes the difficulty that would arise by having a mandatory loan applying to the area in which a third of the corn would be entitled to a loan and there would be no quota provisions.

Mr. BOILEAU. In the committee draft is it not a fact that the committee accepted a language identical with what I offered?

Mr. JONES. That is correct. I am not arguing against the gentleman's amendment.

Mr. BOILEAU. And, is not the committee committed to the argument that if there are to be loans on corn, that



the loans be made outside the commercial area as well as in the commercial area?

Mr. JONES. That is true as to the present provision. We did not pass on the question of whether it would be included in the bill. I can see some logic to the argument. I am not talking about the gentleman's amendment, I am commenting upon it to show the difficulty that would arise. If these gentlemen are willing to strike out the mandatory feature and put in the word "authorized" I would be willing to say that I can see no objection to the amendment.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PIERCE. Mr. Chairman, I move to strike out the last two words. It seems to me that our chairman has given too much ground. One of the things that hurt the farming world was and is too much credit. We are going to break this bill down with these unjustifiably big loans. I think the percentages are entirely too high in the amendment offered by the gentleman from Illinois [Mr. LUCAS]. In fact, I would favor a loan of 50 percent of parity instead of 55 percent as the minimum. It will take untold millions at the rates in the amendment now pending. At the rates provided in the Lucas amendment a man could go into farming just to raise corn and pile it up, taking Government loans in lieu of sales. We must not encourage them to raise cotton, wheat, or corn and expect the Government to take it off their hands at a profit. The loan feature is a stop-gap. It should be in the nature of a minimum price. I have heard people on the floor here in the last week or two who are from the Corn Belt say that they can raise any quantity if they are guaranteed anything like 75 cents a bushel, or even the figure in the amendment. I think we ought to stand by the bill as it is here drawn, and have a minimum loan of 55 percent and a maximum of 75, which ought to be entirely optional and not mandatory.

There will be many Congressmen on both sides of this aisle 2 years from now constantly calling our attention to the condition of the Treasury, if this bill is put through with this amendment offered by our colleague from Illinois [Mr. LUCAS].

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes; I yield.

Mr. MAY. If I understood the chairman of the Committee on Agriculture correctly, he stated a while ago that in the Corn Belt area there would be quotas that would restrict production and loans, and under the Boileau amendment there would be loans outside of the corn area. Might not that very thing unbalance the whole production program and give us more production by reason of the men outside of the corn area growing more corn?

Mr. PIERCE. Yes. There is just this in the Boileau amendment: If within the commercial area they are entitled to a loan, they surely are entitled to it outside, but we must not break the Treasury in trying to help out the farming world.

Mr. GREENWOOD. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. GREENWOOD. We are perfectly willing for the loan features to apply outside of the commercial area the same as inside, but I would further call attention to the fact that the 80-percent loan is only when we have normal production, and as we exceed that, even by as much as 5 percent, it drops to 70 percent. If we exceed it by 10 percent, it drops to 55. So there is a cushion provided, regardless of the marketing quota.

Mr. PIERCE. But it takes so many millions. It is just simply impossible. The statement has been made repeatedly that of the money that has been loaned on corn by the Government, none has been lost. That was because we had a drought. The loans made in 1933, 1934, and 1935 were all paid because we had a short crop. I am anxious to see the loan feature left in the bill.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. Yes. I yield to the author of the amendment.

Mr. LUCAS. I respect the judgment of the gentleman from the great Northwest, but he is obviously in error when he says that drought brought up the price of corn in 1933. For the gentleman's information, corn in Illinois was plowed over twice before any drought struck it and the price of corn had advanced from 30 cents under that loan, above 45, which was announced by the Government.

Mr. PIERCE. But if it had not been for the short crop, there would have been losses on those loans.

Mr. LUCAS. Will the gentleman yield further?

Mr. PIERCE. There cannot be any doubt about that. Yes; I yield to the gentleman.

Mr. LUCAS. We have quotas in this bill. As I remember, the gentleman stood with me in the committee and voted to reduce the corn quota.

Mr. PIERCE. I believe the corn quota should be reduced.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. PIERCE] has expired.

Mr. GILCHRIST. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the matter of farm loans on corn has occupied the attention of the country for many years. As I said at the opening of this debate, the first law of that character was passed in Iowa. I was one of the coauthors of that bill, and it has been since copied in most all of the corn States. It has proved to be very helpful to farmers.

Corn lends itself to warehousing better than any other commodity. You can keep corn for 2 or 3 years, if the corn crib is properly constructed, and it will come out at the end of that time in good shape. There has been no time in the history of corn production but what there has been some scarcity over the course of 2 or 3 years, so that the warehousing of corn on the farm keeps the corn off the market and makes a stable condition for corn and for the things that corn makes.

There has been a peculiar philosophy exposed in this debate; namely, that the cost of the materials or ingredients that go into a product do not affect the cost of the product. If that is true, then all of our books on political economy are hocus-pocus, and we on this floor ought to go home and learn something about how to make high prices for a thing by cheapening the cost of the things that go into it.

It is undoubtedly true, and the scientists tell us that 11 bushels of corn make 100 pounds of hogs. Now, 11 bushels of corn at 50 cents comes to \$5.50. If hogs are selling for \$8.50, then everybody will rush into raising hogs, because the farmer will see that instead of getting \$5.50 he will get \$8.50 for his corn if he feeds it to hogs. That is just exactly what they are doing now. They are out buying gilts—there are some on this floor who would not know a gilt if they saw one coming down Fourth Avenue. They would not know what to call it; but the fact is that the price of corn does affect the things to which it is fed.

We want a stable price for steers on the western ranges. We should look to the folks whose interest is in corn to advise us rather than to accept the advice of those who want to cheapen corn. The western rangers sell feeder calves and feeders. If they can get cheap corn to fatten those feeder calves they think it is an advantage to them, or if they follow a customary practice and ship their feeders into the markets like Sioux City, St. Paul, and Chicago, there to be bought and fattened by Iowa, Illinois, and Indiana farmers, then they will argue that if corn is cheap there will be a better market for feeders. That is true. The estimates show as to the corn-hog ratio for next year that there will be a farrowing of hogs next spring, 15 or 20 percent more than last spring. This is because corn is cheap and everybody is rushing into the hog business.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GILCHRIST] has expired.

Mr. GILCHRIST. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GILCHRIST. So that this thing that we are now doing is to put a stable price on corn, all of which is for the advantage of everybody, because it will keep hogs stable, it will keep cattle stable, and the price of corn stable.

No one objects to this loan provision on the ground that it is unconstitutional; it is the one thing in this bill that everybody agrees is constitutional. The Government has never lost a cent on corn loans. My friend the gentleman from Oregon, Governor PIERCE, says that perhaps drought has had something to do with that, but at the same time when the droughts are over if you lend up to only 55 percent of parity on corn you will be absolutely safe, and if the time should come that we should reach as much as 80 percent of parity on corn you still have that cushion. Instead of being a direct charge on the Treasury it would not cost the Treasury one single dollar—it has not heretofore and it will not hereafter—because the cushion is there sufficient to take care of the difference.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. LUCAS. At the present time the loan, of course, would be about 50 cents a bushel?

Mr. GILCHRIST. Yes.

Mr. LUCAS. Under this schedule, with the same type of crop, in any succeeding year the loan would be 55 percent of parity, or 46 cents a bushel on corn.

Mr. GILCHRIST. Yes. I thank the gentleman for his contribution.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. NELSON. Is the farmer actually getting 50 cents a bushel at this time?

Mr. GILCHRIST. In some places where the moisture content is  $14\frac{1}{2}$  percent or less the farmer is getting 50 cents.

Mr. NELSON. I am speaking generally.

Mr. GILCHRIST. Speaking generally, it is much less than that because they take out for the moisture that is in the corn, and in many places they do not get more than 44 or 45 cents. I notice that the reports from my own home district say that now corn is coming in with less moisture in it, and some loans can be made at 50 cents, but my belief is that there are not many of these.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, it seems to me it would be a very unwise thing to adopt this amendment. What it really means is that you are going to fix the price of corn, because these loans are made without recourse, they are mandatory, they must be made if we adopt this amendment. So what you would actually be doing, if you should make these loans, would be to fix the price of corn; and at 80 percent the loan today would be about 70 cents. That would be the price you would fix on corn.

There is justification for loans on corn provided they are kept within reasonable limits. I think perhaps we are justified in making loans on corn at a higher rate than on export commodities like wheat and cotton, but there is just as much justification for fixing the price of the domestically consumed portion of export commodities as there is for fixing the price of corn. If we adopt this amendment, it seems to me we change the entire theory of this bill and make it a price-fixing bill, pure and simple. In order to keep all parts of the bill consistent with this, we should then proceed to adopt the Poage amendment which was offered yesterday to the cotton section, and similar amendments to the sections dealing with other commodities. I do not think we are ready to do that, for I think it is a question that should be given a great deal more consideration than we can give it on the floor at this time.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. Not at this time. To adopt this policy as to corn would leave no logical reason why we should not adopt it on the domestically consumed portion of all commodities.

Now I yield to the gentleman from Oklahoma.

Mr. FERGUSON. Would not the gentleman consider it his duty as a Representative of the wheat area to offer a

similar amendment to the section for wheat if this corn amendment were adopted?

Mr. HOPE. Yes, if that is going to be the theory of this bill we ought to put all commodities on the same basis.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. HOFFMAN. I thought one of the purposes of this bill was to raise the price of all farm products.

Mr. HOPE. That is one of the objectives, yes.

Mr. HOFFMAN. Then what is the objection to fixing the price of corn?

Mr. HOPE. I am talking about conflicting theories. This bill is written on one theory, but we are now talking about a different theory entirely, that of price fixing, which is not in the bill.

Mr. HOFFMAN. It is a price-raising bill is it not?

Mr. HOPE. It will become a price fixing bill if we adopt this amendment as to corn.

Mr. HOFFMAN. But as it stands the bill is a price raising bill.

Mr. HOPE. It is hoped to raise the price of farm commodities, but not to fix prices by Government edict or Government loans, as would be done were this amendment adopted.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MICHENER. As I understood the gentleman from Texas yesterday, the purpose of the bill was that of soil conservation purely and simply through control of crops and production.

Now there seems to be a difference of opinion between the gentleman from Texas and the minority member of the Committee on Agriculture.

Mr. HOPE. No; I do not think there is any difference in our viewpoints. This bill is primarily based upon soil conservation. It has as one of its objectives as a part of that program an adjustment of the acreage of soil-depleting crops; and one of the effects of that is going to be, we hope, to increase the market price of those commodities. The bill also provides for loans to enable producers to store their product in good crop years. It further contains emergency provisions for putting marketing quotas upon such soil-depleting crops, as are enumerated in the bill, when the supply reaches a certain point.

Mr. MICHENER. Is that for the purpose of soil conservation that you put the quotas on?

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I do not want to take up too much time at this point, but I do want to explain to the Members of the House who are here this morning and were not here yesterday afternoon when I offered my amendment to the Lucas amendment. You understand, of course, that the Lucas amendment would provide for loans on corn. His amendment provides that these loans shall be made only on corn produced in the commercial corn-producing areas. My amendment provides for the loans to be made on corn whether or not produced in the commercial corn-producing areas. In other words, corn outside of that area is just as valuable as corn within that area. Its effect upon interstate commerce is just as great, not so far as quantity is concerned, perhaps, but a bushel of corn outside the area affects interstate commerce just as much as a bushel within the commercial corn-producing area. The only saving grace is there is not so much corn outside the commercial corn-producing areas. I think no one will dispute the logic of making these loans uniform throughout the country.

May I say to the Members of the House that the bill in its present form, without the Lucas amendment, which provides for loans, but not mandatory loans, contains language identical with the language in the amendment I am now offering so as not to be a departure from the general theory of the bill. I think I am safe in saying that not a member of the Committee on Agriculture objected to this amendment being written in the bill while the bill was still in committee. The



distinguished chairman of the committee, the gentleman from Texas [Mr. JONES], although he did not come out wholeheartedly for the amendment, intimated he saw no objection to it going in as a part of the Lucas amendment. I think it is fair to assume further he intimated that the Lucas amendment might be approved, although he opposes the amendment here, and if that amendment should be approved, my amendment should be incorporated therein. The gentleman from Illinois [Mr. LUCAS] stated that he had no objection to my amendment, and I believe there is no objection to it. I am simply making this statement for the information of the House.

Mr. GREENWOOD. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Indiana.

Mr. GREENWOOD. I agree with the gentleman that loans should be made outside the commercial area as well as inside that area. Will the gentleman explain the cushion here with reference to the sliding scale when the volume of production goes above the average production, showing that the loan is reduced thereby for the excess?

Mr. BOILEAU. Mr. Chairman, if we are justified in making any loans from the standpoint of fixing prices and from the standpoint of stabilization of prices, the flexibility of the schedules in this bill are such as to guarantee the Government against accumulating large surpluses. I think it would be helpful so far as this bill is concerned. My principal object at this time is to emphasize the amendment I have offered and to urge its adoption, whether or not the House accepts the Lucas amendment.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this particular amendment and all amendments thereto close in 11 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. O'CONNOR of Montana. Mr. Chairman, as a Representative of a district producing a large number of feeding cattle and sheep I am opposed to the Lucas amendment. The bill as written gives the Secretary of Agriculture ample discretion to make loans in sufficient amounts to the corn producers of this country in order to protect them so far as the price of corn is concerned.

The Secretary, in fixing the amount of the loans, could and, no doubt, would take into consideration the relative price of cattle, sheep, and hogs.

May I call attention again to the fact that the livestock industry is the largest industry in the United States, and yet that industry has not a single word of protection in this bill. In addition to that, Mr. Chairman, 437,000 cattle were imported into the United States during the first 9 months of this year. Is this bill fair to the livestock industry, in view of this importation of cattle? I am still for the bill, however, if it is not amended to the point where all sense is removed from it. The cattlemen of the West have been upon their backs and broke until the last 2 years. It has only been within the last 2 years that they have received a sufficient price to meet cost of production.

The pending amendment makes it mandatory upon the Secretary of Agriculture to make loans to corn producers up to 80 percent of the value of the corn. What will happen? We sell our feeders to the corn producers of this country. We ship those feeders to St. Paul, Omaha, and Chicago. If the farmers can get 65, 70, or 80 cents a bushel for their corn from the United States Government they will sell their corn to the United States Government. They would be crazy if they did not. That will leave in the stockyards the western feeding cattle to be sold at any price which the owners are offered. When you ship your livestock to the markets you are at the end of the trail and at the mercy of the buyers.

Mr. Chairman, our taxpaying industries in the West are cattle, sheep, and grain, to a certain extent. I ask you not to wipe us out by building up a fictitious price on corn. I want to see the corn producers get a fair price. The Com-

mittee on Agriculture has taken care of that in the bill as written in section 201 of title II of the bill, which provides that the Secretary may make ample loans to the corn producers of the country. I am asking the Members now to give us some protection here today in this bill so that we may find a market for our feeding cattle and our feeding sheep by giving us reasonably priced corn.

Mr. FERGUSON. Will the gentleman yield?

Mr. O'CONNOR of Montana. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. What would have been the result this year, with an excessive corn crop, had the parity loans that they propose here been in effect in the Corn Belt?

Mr. O'CONNOR of Montana. Of course, feeders would drop to nothing.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR of Montana. Yes; I yield to the gentleman from Illinois.

Mr. LUCAS. The gentleman apparently does not understand my amendment when he talks about parity price. The loan price on corn today would be less than what the Government announced recently, if this amendment were in effect, because of the bumper crop we have.

Mr. O'CONNOR of Montana. In addition, I may say that feeding cattle have been dropping from 9 to 10 cents a pound down to 5 and 6 cents a pound today.

Mr. LUCAS. The gentleman cannot lay this onto the mandatory loan feature.

Mr. O'CONNOR of Montana. No; but the point is that this will come about if this amendment is adopted, because the Secretary is obliged to make these loans.

Mr. LUCAS. What is the cause of the drop in market price of cattle and hogs at this time?

Mr. O'CONNOR of Montana. It is because we do not have the consumption. The price of meats to a certain extent is based upon the market demand for them.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I believe this amendment in its present form would turn against the corn producers themselves. They now have a loan of 50 cents a bushel. They might bring their production down enough next year to get a loan of 65 cents, but they would still have enough corn for a 55-cent loan; and the first thing you know there would be a collapse, I am afraid, since there is no condition to the loan. If the provision is made permissive, then if they get their production too high they simply will not get the loan. It is really self-governing if you put it that way. However, when you make a loan mandatory and say that the Commodity Credit Corporation must make loans at specific figures on a commodity the normal production of which for the last 10 years has been 2,300,000,000 bushels you are heading toward a slaughter, I am afraid.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin to the amendment offered by the gentleman from Illinois.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Illinois as amended.

The question was taken; and on a division (demanded by Mr. LUCAS) there were—ayes 74, noes 69.

Mr. JONES. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. DOXEY and Mr. LUCAS.

The Committee again divided; and the tellers reported that there were—ayes 80, noes 65.

So the amendment as amended was agreed to.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 14, line 8, commencing with the word "is", strike out down to and including the word "to", in line 10 on the same page, and insert the words "shall at not less than the parity prices";

Page 14, line 17, strike out the words and figures after the word "than" and the first four words of line 18, and before the period in line 19 insert "on that part of said production only as the Secretary determines will be consumed in the domestic market."

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. PATMAN. Mr. Chairman, reserving the right to object, I think this is the most important amendment we will vote on in connection with this bill. A number of Members desire to speak, and I personally desire at least 10 minutes, and I hope such a request will not be made.

Mr. DIES. Some of us have not spoken on this farm bill at all, and we may want to speak 10 minutes.

Mr. PATMAN. My colleague the gentleman from Texas [Mr. DIES] has not spoken at all on the bill, and he would like to have at least 10 minutes, and I, therefore, hope the gentleman will not insist on limiting the time now.

Mr. JONES. I withdraw the request, Mr. Chairman.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### PARITY PRICES FOR FARMERS

Mr. PATMAN. Mr. Chairman, on page 14 of this bill we are considering section 201. The amendment which has been offered strikes out the words "is authorized upon recommendation of the Secretary and with the approval of the President to." This is the provision that authorizes loans. The amendment will strike out the authorization and make it compulsory by substituting therefor "shall at parity prices make these loans."

Mr. BOILEAU. Mr. Chairman, will the gentleman yield there?

Mr. PATMAN. Yes.

Mr. BOILEAU. The gentleman's amendment in line 10 strikes out the comma after the word "President" and also the word "to."

Mr. PATMAN. Yes; it strikes that out, too, and leaves it so as to make all loans compulsory.

Also in line 17, where the bill states that the loans shall be not less than 55 percent and not more than 75 percent of the parity price, we strike out the percentage, which leaves it "shall be not less than parity prices."

And before the period in line 19 insert:

On that part of said production only as the Secretary determines will be consumed in the American market.

So the amendment, if adopted, will compel the Commodity Credit Corporation to make loans at parity prices.

Now, I will admit this is not the proper approach to this problem, but considering the fact that the Members of the House did not have the privilege of appearing before this committee to present their views when the committee was considering this particular bill—the committee had heard most of us before and had decided not to have hearings—and considering the fact this is the only way we can have a direct vote in the House on the question of parity prices, I believe this is justified.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. In a moment, please.

If this amendment is adopted, it will throw the question into conference, and all of us know that is where this bill is going to be written. So if we will adopt the amendment requiring parity loans and then the Senate adopts a bill requiring parity prices, there is an expression from both Houses, and the conferees will be under obligation to consider parity prices.

Mr. ANDRESEN of Minnesota. I just want to ask the gentleman whether his amendment has stricken out the language requiring approval of the President and the Secretary of Agriculture.

Mr. PATMAN. Yes; and the amendment makes it compulsory.

Let me tell you the objection there will be to this. I know they will say that it will cost a lot of money, but if the conferees are as anxious for parity prices as others in Congress, they will have no trouble agreeing to it. We do not have an abler man in either body of Congress than MARVIN

JONES. [Applause.] We have an able committee, we will have able conferees and knowing the ability of these gentlemen, when we express ourselves in favor of parity prices, these gentlemen are going to be able to work out a plan that will give us parity prices, not for all, but just for domestic consumption only. Do not forget that. Is not that fair—just giving the American farmer the benefit of the American market at a fair price?

Name me one Member of this Congress who has not made the statement that he favors the American market for the American farmer. This is the only opportunity you have had or will have in this bill to vote for that proposal, and although it is not exactly as you would like to vote upon it, it is an expression from you that you favor parity prices. My good friend and colleague [Mr. JONES] made the statement that if we give parity prices for domestic consumption, what about the 18,000,000 bales that are held by cotton speculators? He did not use the word "speculators." Some of it is held by investors, some by speculators, some by mill owners. Very well. I ask the gentleman this question. Under this bill, if this has the effect that the chairman thinks it has, it will increase prices and in order to give the farmers next year an increased price for the 18,000,000 or 12,000,000 bales they will probably produce, we will have given those who already own 18,000,000 bales the same price increase.

They are entitled to the world price. They bought that cotton to sell it at the world price.

#### HELP SPECULATORS WHO HOLD 18,000,000 BALES THE SAME AS FARMERS WHO WILL WORK AND GROW COTTON

Furthermore, in order to help 200,000 farmers who are growing 5 bales of cotton each—that is, 1,000,000 bales—by giving them increased prices, this bill would also help the speculator who already owns 1,000,000 bales, and he will get the benefit of that increased price. So I say to you that it is right to have two prices—one price for the American producer who actually resides on the farm and is working on the farm for a livelihood, and we should give him the benefit of the American market. In my speech on yesterday I included a list of parity prices. It is on page 1048 of the CONGRESSIONAL RECORD.

#### WHO CREATES SURPLUS?

What are the farmers charged with? A serious crime. These 2- and 3- and 5-bale fellows who are scratching around to eke out an existence are charged with creating a surplus. Can you honestly say that the people who are producing cotton for a living up to the domestic market requirements are producing a surplus? No; they are not the ones who are producing a surplus. The ones producing the surplus are men who are growing cotton for speculation and profit, who are using tractors, who are using machines, who are driving families off these plantations. They are the ones against whom we should bring the indictment. We should not bring the indictment against the small cotton farmers. That is what we are doing in this bill unless we fix this bill in a way that we will give to each farm family the opportunity, the right, the privilege to grow enough cotton, if they actually produce it, to make an honest living.

Is there anything wrong about that? The average cotton farmer today makes \$200 a year, and many of them have large families. How do you expect them to live? You indict them in this bill, charging them with a serious crime, with the crime of creating a cotton surplus, and you expect to cut them down along with the man who grows 10,000 bales with machines, driving his tenants away. There is a difference, my friends. We should recognize that difference, and we should recognize it now by starting to give the two prices.

#### FIX PRICE FOR COAL

I want the distinguished chairman of the Committee on Agriculture, the gentleman from Texas [Mr. JONES], to answer this question. If it can be answered, he can do it because, as I said, he is one of the ablest men in the Nation today. We voted for a coal bill. There is surplus coal in this country, just as there is surplus cotton. This House voted for a bill that recognized the right of those who produce coal to make an honest living by obtaining a fair price for that part of the coal that is sold in the domestic



market. I am not objecting to it. Let us carry out the same principle for other people, the farmers, who are working just as hard as the coal miners and those engaged in the coal business. If you can allocate coal for domestic consumption, if you can tag it and say for that coal they shall receive a fair price and that it shall be unlawful for anyone to buy coal at a lower price, you can do exactly the same thing for cotton; and if you can say to the coal producer, "if you produce more coal than is needed, you must sell it in the export trade at the world price," you can say exactly the same thing to the cotton farmer.

The principle is exactly the same. If one is right, the other is right. Since we have already established it, we should carry it further for these people—the farmers who are making 5 cents an hour. Our chairman made a fine speech the other day, and no one can make a better one, but he placed it upon the theory that the farmer is injured by reason of the protective tariff. I agree with him. That is No. 1 discrimination which we should remove in this legislation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

#### DISCRIMINATION NO. 2

Mr. PATMAN. That is discrimination No. 1. Discrimination No. 2 is the excessive and discriminatory freight rates that this Congress is responsible for. Oh, you can fix freight rates that the farmer must pay on what he buys and what he sells and compel the American people to pay the price that will guarantee to the railroad owners a fair and just return; but when it comes to helping the farmer—no; we cannot do that; we cannot find any way in the world by which we can make the American consumer pay a price that will give the farmer a fair return!

If you give parity prices in this it will probably increase the price of a shirt 10 cents. If you give it on wheat it may increase the price of a loaf of bread one-tenth of a cent a loaf. Who objects to that? Raw materials enter into the price of the finished product in a very small way.

So let us here today adopt the principle and vote for it. It is the only time we have ever had an opportunity to give the American farmer the benefit of the American market and fair prices—prices at which he can make a living.

Thank you. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. PATMAN. Permission having been granted, my remarks are extended as follows:

#### PRESIDENT SAID INCREASE FARM PURCHASING POWER

On March 16, 1933, the President of the United States, in a message to Congress stated:

To the Congress:

At the same time that you and I are joining in emergency action to bring order to our banks, and to make our regular Federal expenditures balance our income, I deem it of equal importance to take other and simultaneous steps without waiting for a later meeting of the Congress. One of these is of definite constructive importance to our economic recovery.

It relates to agriculture and seeks to increase the purchasing power of our farmers and the consumption of articles manufactured in our industrial communities; and at the same time greatly to relieve the pressure of farm mortgages and to increase the asset value of farm loans made by our banking institutions.

\* \* \* I tell you frankly that it is a new and untrod path, but I tell you with equal frankness that an unprecedented condition calls for the trial of new means to rescue agriculture. If a fair administrative trial of it is made and it does not produce the hoped-for results, I shall be the first to acknowledge it and advise you.

#### PARITY PRICES DEMANDED BY ADMINISTRATION

In the CONGRESSIONAL RECORD of March 20, 1933, commencing at page 642 of the bound volumes, there is printed a radio address on the farm bill by the Honorable Henry A. Wallace, Secretary of Agriculture. In this radio address, Mr. Wallace stated:

Now for the things the new farm bill proposes to do.

Its basic purpose, first of all, is to increase the purchasing power of farmers. It is, by that token, farm relief, but it is also by the same token, national relief, for it is true that millions of urban unemployed will have a better chance of going back to work when farm purchasing power rises enough to buy the products of city factories.

The goal of the bill, in terms of price, is pre-war parity between the things the farmer sells and the things the farmer buys. Let me explain that. In the pre-war years, 1909 to 1914, wheat brought around 88 or 90 cents a bushel on the farm, cotton better than 12 cents a pound, and hogs better than 7 cents a pound. But at the same time, the prices of the things the farmer had to buy—his fertilizer, farm machinery, and the like—were on a comparable level. In general, these items bought by the farmer were a little lower than they are right now. But the prices the farmer got for his wheat and cotton and hogs were, in those pre-war days, more than twice as high as they are now. It is that gap that we want to bridge. And this bill provides the bridge.

#### GIVE FARMERS SQUARE DEAL

It will be noticed that the administration has been contending for parity prices for farm products. A parity price is placing the farmers on the basis of equality with industry. It is making the farmer's dollar worth as much to the farmer as the railroad owner's dollar is worth to the railroad owner. It is making the farmer's dollar worth as much to him as the laborer's dollar is worth to the laborer.

The administration caused to be passed the Agricultural Adjustment Act to give the farmers parity prices. The Agricultural Adjustment Act has been declared unconstitutional. In other words, the Supreme Court of the United States has burned the bridge over which the administration expected to go to give the farmers parity prices. The question is now, Shall we repair that bridge, reconstruct it to do exactly what the administration has promised the farmers all along? No one should object to the farmers having parity prices. It is absolutely right and fair that they receive them and the farmers will be discriminated against if they are not given.

#### WHO IS TO BLAME IF CONGRESS DOES NOT PASS A SATISFACTORY FARM BILL?

Congress is to blame if a satisfactory farm bill is not passed. The President and leaders in the administration for the past 5 years have advocated parity prices for farmers. The Democratic platform in 1932 had a provision, which stated:

The enactment of every constitutional measure that will aid the farmers to receive for their basic commodities prices in excess of cost.

In other words, the Democratic Party in 1932 pledged the farmers a price in excess of cost of production. Parity prices are not that high.

The Democratic platform in 1936 stated:

We have kept our pledge to agriculture to use all available means to raise farm income toward its pre-war purchasing power.

The platform in 1936 also had a provision in favor of a fair profit to the farmers.

#### CITIES DEPENDENT UPON FARMS

The President in his remarks at Bismarck, N. Dak., August 27, 1936, stated

It means we have got to have the cooperation of the people in the cities as well as the people on the farms. It is just as much their problem as it is the problem of the farmers themselves. Incidentally, in an agricultural country, there would not be any cities if there were not farms.

The President is exactly right. The farmers of America represent so much of the American market that all other classes and groups suffer along with them when their purchasing power is destroyed by low prices.

If the farmers are prosperous, the country is prosperous. If the farmers are forced to a starvation level, other classes and groups will eventually suffer along with them, although not so quickly or suddenly as the farmers suffer.

#### PROSPERITY DEPENDS ON COTTON FARMER

The President, in his speech at Laramie, Wyo., September 2, 1936, stated:

What happens to cattle in Texas and in North Dakota affects your prosperity here in Wyoming, and that is true not only of cattle in other parts of the country but of other crops. You are affected by what happens to corn and hogs in the Middle West.



It is a queer thought, but it is actually true, and if you will think it out you will see that I am right. In the same way, your prosperity is affected by what happens to the cotton farmer down South. If the cotton farmer gets pretty good prices and has good crops it means he and his family will buy more food. That is a simple illustration.

The President makes a very important suggestion when he says the farmer and his family will buy more if they get good prices. So this is not a problem affecting only the cotton farmer or the wheat farmer or any other farm group. It is a problem that seriously affects the people of the entire Nation. Who will buy the automobiles made in Michigan if the farmer's purchasing power is destroyed? Who will buy the farm machinery that is made in so many States in the Union if the farmer's purchasing power is destroyed? Who will buy the thousand and one other different commodities mentioned in every section of this Nation if the farmer is depressed through low prices?

**\$400 ANNUAL INCOME DRAG ON PROSPERITY—FARMERS MAKE \$200**

The President, in his address at Charlotte, N. C., September 10, 1936, states:

No man or woman, no family, can hope in any part of the country to attain security in a city on starvation wages any more than they can hope on a farm to attain security on starvation crop prices. I do not have to tell you who live in any of these Southern States, which have factories in all of them, that a family that tries to subsist on a total wage income of \$400 a year is just as much a drag on the prosperity of America as the farm family that seeks to subsist on a yearly cash income of a hundred dollars.

The President says in this speech that a family with a total wage income of \$400 a year is a drag on the prosperity of America. Farm families growing cotton earn about \$200 a year. Parity prices will give them about \$400 a year. Labor on the farm is 5 and 10 cents an hour. Farmers cannot pay more because prices they receive will not justify it.

I have quoted the President and the Democratic platform to let you know that the question of parity prices is not new; that the administration in power is pledged to give the farmer parity prices.

**ARE FARMERS' FRIENDS BEING MISGUIDED?**

I know that the farmers have some good friends in the House of Representatives who are voting against parity prices. The Members from cities will vote with the farm Members if the farm Members vote together, but when the farm Members are divided the city Members will be divided.

The President has left the kind of a bill up to Congress. He has made his recommendations in the past. If Congress does not pass a satisfactory bill we are to be blamed, not the President. If the friends of the farmers in the House are being misguided the administration is not the guilty party. The administration's position is clear and unmistakable. If a good farm bill is not passed, Representatives of farm districts are responsible.

Mr. DIES. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DIES. Mr. Chairman, I hope this amendment is agreed to. Many northern Members of this House have professed a very keen and lively interest in living wages for the industrial workers of the South and West. We have heard profuse expressions of sympathy expressed by some of our colleagues from the North in behalf of the wage earners in the South and West. I assume that they are sincere and that the charges which have been made that this sympathy is inspired by the fear of industrial competition and the desire to stifle industrial development in the South are unfounded. Now they have an opportunity to place themselves squarely on record as to whether or not they favor living wages on the farm the same as in the factory. Certainly no Member can take the inconsistent position that he believes it to be the true function of representative democracy to say that the workers in the factories of the South and West shall receive a living wage, and then say

he does not believe that the same Federal Government, under the same Constitution, should not assume the other burden of seeing that the workers in the field shall likewise receive a living wage. To be guilty of that inconsistency would be to place yourselves in the embarrassing position of saying, "Well, we are opposed to low industrial wages in the South because it gives southern industry competitive advantages over us—it is hurting us. Many of our factories and industries are moving to the South and we are alarmed. We will, therefore, force higher wages in the hopes that this will check the exodus of industries from the North to the South. But with reference to farm labor, that is a different question. We are not engaged in farming and we derive a benefit from low farm wages in the form of cheap prices for the raw materials and commodities that we buy. We are able to buy cheaply from the South and West and then sell the same raw material back to you in manufactured form for high prices."

So if we are to be consistent in the application of this new philosophy which we have proclaimed, then we must guarantee to the farmer that he, too, shall receive a living wage. If there is any distinction between the work of a man in the field and the work of a man in the factory, it is that the work in the field is more necessary and vital. The farmer is producing the vital necessities of life. Agriculture is the foundation upon which our whole economic system rests. If we are to make any distinction between the foundation and the superstructure, it should certainly be made in the interest of the foundation. But we are not asking for any preferential treatment. We only ask that you do for the farmer what you have already done and intend to continue to do for other classes in our economic life.

Mr. TRANSUE. Will the gentleman yield?

Mr. DIES. I have stated that I do not care to yield. I am sure the gentleman will favor my views on this, for he is also a proponent of living wages.

If we are going to make any distinction, we should make it in favor of the man who is producing an indispensable commodity. We can live without factories. We did it for a long time, but we cannot exist without farm labor and the products that come from the farm. Therefore those who wish to be consistent will not prate about increased prices or "where are you going to get the money." That has never been any obstacle to you in accomplishing your own objectives.

With reference to the wage and hour bill, we might propound the question, If you should pass a real wage and hour bill that will actually increase low-paid wages and decrease long hours, as you have lead many industrial workers to believe, where will the billions of dollars that will be necessitated by reason of governmental increase in wages come from? The answer is, of course, that it will come from the consumers of America. Likewise the increase in farm products will come from the consumers of America. So I hope that those who believe in the philosophy of living wages through governmental decree will prove themselves consistent and sincere by voting in favor of this amendment to insure to the farmers and farm labor of America a living wage. It has been a long time since the farmers of this country have received a living wage. At present the cotton farmer is getting 8 cents an hour for his labor. It has been shown that it takes an hour to produce a pound of cotton. According to the Department of Agriculture, the cotton farmer should receive 16.5 cents for each pound of cotton if he is to be placed upon a parity with industry. But today he is receiving less than one-half of what is considered a living wage for him.

Certainly parity prices have this justification: It is a fulfillment of promises that we have repeatedly made in every campaign. We have said from the time William Jennings Bryan went over the country crusading on down to the present time that we intended to make the tariff function for the farmers the same as for industry. We have shown that on account of the tariff the farmer is compelled to buy in a closed or noncompetitive market and to sell in an open market. He gets the world price for his products and pays an American price for the products of industry. The same cultivator made by the same



concern sells for twice as much in the United States as in Mexico or other foreign countries. The farmer pays a subsidy to industry every time he purchases a manufactured product. This has been going on for years. There is no way to make the tariff function for the farmers unless we are prepared to recognize that that portion of farm products domestically consumed shall receive a parity price.

In the Democratic platform of 1932 we promised—

The enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

On September 14, 1932, President Roosevelt enunciated a six-point farm program. First he said:

The plan must provide for the production of staple surplus commodities such as wheat, cotton, corn (in the form of hog), and tobacco, a tariff benefit over world prices which is equivalent to the benefit given by the tariff to industrial products. This differential benefit must be so applied that the increase in farm income, purchasing and debt-paying power will not stimulate further production.

The fourth plank is as follows:

It must make use of existing agencies, and so far as possible by decentralization in its administration so that the chief responsibility for its operation will rest with the locality rather than with newly created bureaucratic machinery in Washington.

The sixth plank is as follows:

The plan must be insofar as possible voluntary. I like the idea that the plan should not be put into operation unless it has the support of a reasonable proportion of the producers of the exportable commodities to which it is applied. It must be so organized that the benefit will go to the man who participates.

The Democratic platform of 1936 said:

We have taken the farmers off the road to ruin. We have kept our pledge to agriculture to use all available means to raise farm income toward its pre-war purchasing power. The farmer is no longer suffering from 15-cent corn, 3-cent hogs, 2½-cent beef at the farm, 5-cent wool, 30-cent wheat, 5-cent cotton, and 3-cent sugar. \* \* \* We will continue to improve the soil conservation and domestic allotment with payments to farmers. \* \* \* The farmer has been returned to the road to freedom and prosperity; we will keep him on that road.

On October 24, 1932, the President said:

A basic purpose of my farm program is to raise prices on certain agricultural products by some form of what the farmers of this country know as a tariff benefit.

On September 30, 1936, the President said:

No man or woman, no farmer can hope in any part of the country to attain security in a city on starvation wages any more than they can hope on a farm to attain security on starvation crop prices.

Mr. Chairman, I do not think that anyone will deny that the President wants the farmers to receive a living wage and believes that the only way he can do this is to secure parity prices for his products. In view of the President's known position, it is strange to see Democrats in Congress voting against parity prices. This amendment merely carries out the promise of the Democratic Party and the assurances that the President has given to the farmers of the Nation.

I am frank to say that I agree with many of my colleagues that this bill does not offer a great deal of hope for the farmers in 1938. It contains some improvements over the present farm program. For the first time we have obtained concrete protection for the little farmers. We have secured an exemption of three bales from any tax and from any allotment. We have secured other concessions in behalf of the little farmers which have heretofore been denied to them, but the bill is lacking in one essential respect. It fails to guarantee to the farmers parity prices for 1938 and subsequent years. Of course, the farmer will receive some benefits through the loan provision and the soil-conservation payments, but unless something occurs, such as drought, floods, or war, which we do not now anticipate, I fear that the price of farm commodities will be too low next year to give the farmer a living wage. Are you going back to your farm constituents when cotton is selling for 7 or 8 cents a pound, and when other farm products are proportionately low, and say, "Well, boys, I could not do anything for you because it

cost too much money. I could not vote for an amendment to guarantee you parity prices because I did not know where to get the money. But I did do this: Although I voted against a living wage for the farmers in the form of parity prices, I did vote for other measures to increase the price of everything that the farmer must buy. I helped fix it so that the cities would have a \$16,000,000,000 housing program, but when it came to the farmers we said we could not get the money to finance the honest performance of a political promise."

Have we not been saying repeatedly to the farmer that we were going to give him parity prices? How in the world can you give it to him unless you are prepared to spend a lot of money to do it? Some may think you can do it by a reduction program. How are you going to do it? Suppose you do reduce cotton production from 18,000,000 to 12,000,000 bales, what is the inevitable consequence? All the other cotton-producing countries will produce the amount that you fail to produce. That has been demonstrated repeatedly.

While I am a strong believer in the soil-conservation program and I do not believe that the land should be impoverished or injured in the production of surplus products, nevertheless, I do not believe that you can establish parity prices through curtailed production unless you are willing to produce no more than can be consumed in the United States. As long as you produce more than you need for the domestic markets, the price of the whole crop will be determined by the price you get for the exportable surplus. I cannot believe in the doctrine of scarcity. For many decades the great problem was one of production. Mankind could not produce enough to bring prosperity. He struggled through the ages to improve his productive ability and finally he succeeded. Our trouble now is one of distribution and we must devote the same thought to the solution of the distribution problem that we formerly devoted to the production problem. But it is unthinkable to me that we can ever solve the problem by saying that in a land where there is want and hunger, where many people are ill-fed and ill-clothed, the only hope and the only plan we can offer is to stifle the productive genius of the Nation and to create wealth by destroying wealth. As long as there are people who are hungry and insufficiently clothed there is no such thing as overproduction. However, if two-thirds of the farmers are willing to resort to this desperate expedient in an effort to secure better prices, I am willing to give them that opportunity, especially in view of the fact that the little farmers have been exempted. But I do want to say to them, as I have said many times, that in my humble judgment they can never permanently solve their problems by such a method, which is contrary to common sense and sound economic principles. It seems to me that we should be frank and honest with the farmers. We should not humbug them into believing that we are going to help them when Congress does not intend to do any such thing. If we are going to fulfill our promises to them, then let us take immediate steps to insure parity prices. Any other measure falls far short of our promise. If we can give to the industrial worker living wages on the same principle, we can give to the farm worker a living wage. For years we have been telling him that we are going to give him parity prices, but now we are told by the Committee on Agriculture that the time is not ripe and that under present circumstances we cannot do it.

They tell us that at some distant time the farmer will get parity prices but that now is not the proper time. They have been telling the farmer this year in and year out. There is nothing unreasonable about parity prices. It is simply a matter of giving to the farmer the same purchasing power as is possessed by industry. It is an equalization of the tariff burden; a reversed tariff, if you please. It is doing for the farmer what you have already done for protected industries. It is doing for the farmer what you profess to do in the wage and hour bill, although the pending wage and hour bill, as now written, will not actually do any more to help the industrial workers than this farm bill will do to help the farmers.



Mr. PATMAN. Mr. Chairman, if the gentleman will yield, the parity prices appear at page 1048 of the RECORD.

Mr. DIES. I thank the gentleman.

What I am pleading for is that we should be absolutely honest and frank with the farmer. If we are not going to give him parity prices, then say so. But let us not humbug him by saying that although we favor parity prices and are working in that direction, the time is not now ripe for it. The farmer has had enough of alibis and excuses. He cannot understand why the same Congress that professes to have the power to insure a living wage to industrial workers cannot do the same thing for the farmer. He cannot understand why some Members of Congress from farm areas join with Congressmen from industrial areas to defeat a really effective program. He cannot understand how Congress can enable the producers of coal to fix the price of their product and cannot do the same thing for him. To you Members of Congress who come from the South and West may I suggest that you read the book recently written by Walter Prescott Webb entitled "Divided We Stand." If you will read this book, you will find that a large part of the wealth of the South and West has been drained by the North.

According to this very able book, the North, as defined in this book, owns 80 or 90 percent of the wealth in the United States. It says that there are 200 corporations that own nearly one-fourth of the wealth of America; that they exercise an increasing control over far more than they actually own. Of the 200 corporations 180 are chartered, operated, and have their home offices in the North. The North furnishes between 90 and 95 percent of the national advertising, while the South and West divide the rest about equally. Citizens of the United States have \$105,000,000,000 of life insurance on the books. Of this amount 95 percent is in the hands of northern companies. There are 14 companies with over a billion dollars' worth of business; all of these are in the North. Seventy-five companies have over two hundred million each of insurance and altogether hold ninety-three billions of the one hundred and five billions in force. For every dollar of insurance income that went to the South, \$38.44 went to the North, and for every dollar going to the West \$68.64 went to the North. Where the South made a gain of \$1 the North gained \$53; where the West made a gain of \$1 the North made a gain of \$128.50. The South and the West furnish 30 percent of the insurance in America. They hold only 5 percent. This means that they send \$5 of their insurance money North for each \$1 they keep at home. In demand deposits—that is, checking accounts—the North has a little less than nine times as many dollars as the South and nearly eight times as many dollars as the West. To put the matter another way, less than three-fifths of the people living in one-fifth of the country have nearly four-fifths of the dollars in American checking accounts. The North has over \$5,000,000,000 more time deposits than demand, and the West has slightly less than \$1,000,000,000 more. The South's time deposits are less than its checking accounts by \$272,000,000. For each southern dollar the North has fourteen; for each western dollar the North has nearly seven. Corporation stock is closely held in the North, and out of each \$100 of dividends the North receives \$90.62, the South \$5.10, and the West \$4.27. Let us take those people with an income ranging from forty to fifty thousand dollars a year. In 1933, 4,156 people were in this bracket. Of these, 3,537 lived in the North, 245 in the South, and 374 in the West.

In natural resources the South and West have a combined area of land of approximately 79 percent as against 21 in the North. If the acres were of equal value, the South and the West would have about four times as much land wealth as the North. By the same token they would have the same preponderance of the products of the land, grass, forests, minerals—about 80 percent of the total natural resources. The South and West have within their boundaries most of the natural wealth of America. They comprise nearly 80 percent of the area, they produce all of the gold and silver, 95 percent of the oil, 45 percent of the coal, 90 percent of the lumber, and 63 percent of the agricultural dollars. But

in spite of this, the North has been able to gather to itself practically all of the economic fruits of industry and labor.

I have used the language of the author in most instances, and urge my colleagues from the South and West to read this illuminating book so that they may realize that we in the South and West have a common cause to see that our sections shall receive economic justice. But we can never do this so long as some of our southern and western Members vote for measures that further strengthen the grip of the North upon our industrial and financial life and against measures that will bring justice to our own producers. [Applause.]

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for 10 minutes. Is there objection? There was no objection.

Mr. JONES. Mr. Chairman, I dislike very much to find myself in disagreement with two friends of whom I think as much as I do of the gentleman who has just preceded me.

Mr. Chairman, I think the amendment just adopted for corn was a mistake from the standpoint of corn, although I concede that there is some reason for a little different treatment as to corn. But it would be infinitely worse from the cotton grower's viewpoint. Let us analyze the situation just a little. This amendment says that there shall be a compulsory loan of not less than 16.6 cents per pound on 7,000,000 bales of cotton—I am using round numbers; that is the part that is domestically consumed. A loan of 16.6 cents per pound on 7,000,000 bales of cotton means \$560,000,000. What would you have? There is no limitation, no control. The Government would make the loan of 16.6 per pound this year, \$560,000,000. There is a supply of American cotton including the carry-over, or there will be at the end of this year, of 24,000,000 bales. Not one pound of this cotton on which loans would be made could be sold; of course not. He talks about the speculators. They, of course, would sell their cotton. The rest of it would be held and the Government would have bought in addition to what it has now 7,000,000 bales of cotton. Do you want to do that? Do you think that would help the cotton grower? You fellows who live in the cities, you fellows who live in the other agricultural areas, do you not know that when we on the farm represent only 30 percent of the American people that we could not come in next fall and ask you to carry on the great program we have been working out for all these years? Let us not do a vain, a foolish thing; and that is what this is.

It is embarrassing, of course, to have to oppose a loan such as this with what it would do for my people temporarily, but I do not hesitate for a moment. The gentleman refers to the big man. That question is not involved in this problem. This loan would be made on the domestic part of the big as well as the little man's production, so that question is out of the window. He refers to coal. As I understand the situation in regard to coal, 95 percent of it goes into interstate commerce. It is not a commodity that goes abroad that has to be divided between foreign and domestic markets. Then, too, the coal-control measure has not been passed on by the Supreme Court. So it is an entirely different picture. They provide minimum regional prices to be prescribed. It is an entirely different commodity.

The question of price fixing, however, is not involved here. This is just a price-pegging loan, that is all, a direct invitation to a farm board doubled up and hog-tied. Surely a Congress of real Americans is not going to vote, regardless of whether you believe in the philosophy of this bill or not, to do a thing of this kind. We have an authorization, a direction, to use part of money now available, not less than \$125,000,000 to expand markets.

There are many features to this bill. Freight rates have been referred to, and that is included in the bill. We are tackling that feature of it and I admit there is discrimination in freight rates against the farmer. But this sort of



an amendment would be absolutely fatal. We may be able to work out the other amendment, although I doubt it, but certainly not this one.

Mr. FULMER. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from South Carolina.

Mr. FULMER. May I state to my colleague there is quite a large lobby here in Washington now doing anything possible in the way of pressing this domestic allotment plan, which is advocated by the large cotton exporters, every fertilizer dealer, and every other interest that does not produce cotton for the purpose of securing bales, because they make their profit out of bales and not out of the price of cotton. I have a telegram in my office from the gentleman's State to prove my statement.

Mr. JONES. I have not very much time to talk about this.

Mr. PATMAN. Under this provision you can have compulsory control if you want to or you can have unlimited production.

Mr. JONES. I am talking about this particular amendment, and that is the difficulty. In other words, the gentleman confesses that his amendment is absolutely indefensible unless some other provision is linked to it, and he favors the amendment in the belief the committee will be driven to a far-reaching, absolute price-fixing measure. That is the whole implication.

I ask you to stop and think before you put a piecemeal proposition into a measure that of necessity must be complicated and thought out carefully. Stop and think before you take a measure that has required weeks of thought and consideration and before you agree to an amendment that can mean nothing else but the wrecking of the farm bill for this session and possibly for the next session.

Mr. Chairman, I am anxious for a solution of the problem and I think we are working gradually toward a much finer approach. I want to see the farmers sell all the commodities they can, both at home and abroad. I believe the farmers' income next year will be materially greater if this measure is passed than it would be if no measure at all is passed. I think it is a great step forward. I ask you to consider the different things we have put in the bill that will tend to accomplish that result and, like good Americans and representative men, vote down an amendment of this kind.

[Here the gavel fell.]

Mr. HOOK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I was surprised and could not believe my ears that such demagoguery as was set forth in arguments on behalf of this amendment could actually happen upon the floor of this House. [Laughter and applause.]

I may say to the gentleman from Texas that I have been a member of the Committee on Agriculture since I became a Member of Congress and we have honestly studied the farm program. I may say to him further that the Committee on Agriculture has brought a bill to the floor of the House and it did not have to be discharged by a petition to bring it here either. [Applause.] We are proud of our action as a committee.

When you talk about prices to the farmer and talk about wages paid to labor, you must bear in mind what will happen to the consumer when the housewife walks into the store and is faced with 90 cents a pound for boiled ham, 65- to 70-cent beefsteak, and pork chops at 50 to 60 cents a pound. Now this Congress is asked to pile up an additional burden on the already overburdened consumer. I think it is nothing more nor less than demagoguery and sectionalism to ask for the adoption of this amendment.

Mr. BUCKLER of Minnesota. Will the gentleman yield?

Mr. HOOK. I yield to the gentleman from Minnesota.

Mr. BUCKLER of Minnesota. Does the gentleman expect the farmers to produce this food for nothing, as they have been doing all these years? [Applause.]

Mr. HOOK. I do not, and I expect to give the farmers a fair and honest price. The bill we have submitted in its original state will do that. If the House would see fit to follow the recommendations of the Committee on Agricul-

ture the farmers would receive the price to which they are entitled. Let me warn you, there are farm organizations going around in the different agricultural districts hawking about parity prices and they are doing it for nothing more nor less than membership dues. If those organizations would work toward parity prices by cooperating with the Committee on Agriculture the farmer would be far better off.

Mr. Chairman, may I say further, as long as you have monopoly in industry to the extent it exists today and lack of organization as far as the farmers are concerned, you cannot talk price fixing. When we eliminate the monopoly evil that exists in industry to the extent it exists today we will be able to help the farmer on to prosperity and we will bring about real parity in this Nation.

The trouble is that the spread between the producer and consumer is so great that the farmer is farmed and the consumer is consumed. The speculator in Wall Street has no part in the economic set-up of this Nation, and I am wondering if those now in favor of this amendment will favor a bill to curb that speculation or wipe it out entirely. These speculators of Wall Street in futures are no more nor less than high-class bucket shops. I wonder where some of the demagogues would stand then? I hope this committee will vote down the amendment as proposed here at this time. I fully appreciate that the gentleman from Minnesota [Mr. BUCKLER] is one of the finest Members and know he is doing everything he can to help the farmer. I assure him that I join him in his purpose and am trying to bring about the very thing he wants, but I do not think that this amendment will help him. In fact, I know that it will injure him, because it will wreck the whole program.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 50 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for 7 minutes.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to proceed for 7 minutes. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Chairman, I was very much surprised to hear one distinguished gentleman question the Americanism of Members of Congress who are in favor of this measure to give the cotton farmers a parity price. I was more surprised to hear the distinguished gentleman from Michigan [Mr. Hook] brand as demagogues those Members of Congress who advocate putting cotton growers on a parity with industrial workers throughout the United States.

Mr. HOFFMAN. Will the gentleman yield?

Mr. RANKIN. I cannot yield. I meant the other gentleman from Michigan [Mr. Hook].

Mr. HOFFMAN. I will give the gentleman my time.

Mr. RANKIN. The gentleman is so kind and generous, I will have to yield to him.

Mr. HOFFMAN. I want to ask the gentleman whether the monopoly to which the gentleman referred or the demagoguery to which he referred prevented the gentleman from the northern peninsula or myself from talking?

Mr. RANKIN. Not yet. The question of demagoguery has never prevented the gentleman from Michigan [Mr. Hook] from speaking on any proposition.

Mr. Chairman, may I say that this country is in a serious condition, as a result of the plight of the cotton farmers who are compelled to sell their cotton in the open markets of the world and buy their goods in a protected market, and pay exorbitant profits to the big manufacturers of the Nation. You cannot have a prosperous country without a prosperous agriculture. Conditions are going to grow worse unless the farmers' purchasing power is restored, which can only be done by giving him a parity price for what he has to sell.



Industries are closing throughout the land and they are going to continue to close. Conditions are going to continue to get worse until the prices of cotton, wheat, corn, and other agricultural commodities come back. To restore prosperity to the industries of this country with the cotton growers going into bankruptcy is just as impossible, to use a Biblical expression, as it would be to "bind the sweet influence of Pleiades, or loose the bands of Orion." It cannot be done. This amendment proposes to put the cotton farmers on a parity with industry, and that is all; not a complete parity, but merely to bring them up to the parity which existed during the Taft administration. I would make the parity complete. Then the farmers would enjoy real prosperity.

The gentleman from Michigan [Mr. Hook] states that would cost the men in industry in his State more for what they would buy. What a pity! The highest-paid laborers in the world are in the automobile industry in the State of Michigan, and they get 50 cents to \$2.50 an hour. Would it not be pathetic for them to have to pay a little more for the farm commodities they buy, when this parity price would give the cotton growers of this country only 16½ cents an hour? They now make only about 8 cents an hour.

No, Mr. Chairman, this is one time we have started out on the right track. The only way you will ever wipe out these differences and bring back prosperity to the American farmer, and especially the cotton farmer, and restore to him his buying power, which will create a market for the things your industrialists have to sell, is by bringing the farmer up to a parity with industry, by tying them together and giving him some of the benefits of the tariff which you have been collecting from him all these years. This will do it. We advocated a measure of this kind called the debenture plan, to try to give him parity for cotton, wheat, corn, and other farm products. This will do it at least for the cotton used in the United States. Then he can raise as much cotton as he pleases to ship abroad, unless the restrictive features of this bill are retained.

As the gentleman from Texas [Mr. Patman] has stated, we know this bill is not perfect, but if this amendment is adopted it will go to conference, and the friends of the cotton farmers in the conference, including the Members of this distinguished committee, can then iron it out and bring in something that will have the desired effect.

The gentleman from Michigan [Mr. Hook] calls us demagogues, and he rolls his head back and looks at the clouds and says, "We did not have to petition this bill out." What does he mean by that? He has reference to the wage and hour bill, which he helped to petition out, a bill to raise minimum wages in industry to 40 cents an hour, while leaving the wages of the cotton farmer at only 6 and 8 cents an hour. When we come in with a measure which would give the cotton farmer 16½ cents an hour for his work in raising the cotton consumed in America alone, making a start, if you please, to wipe out the differentials which have driven the cotton farmer to the present extremity and caused the wheat farmer and the corn farmer to follow, why, the gentleman from Michigan arrogates unto himself the prerogative of standing up on the floor and calling us demagogues. Mr. Chairman, the gentleman from Michigan may know something about some things, but he apparently knows nothing of the plight of the farmers of this country.

I submit this amendment will not hurt the bill. If the conferees should not bring out this or a similar amendment, you will not be any the worse off. If the conferees should agree to it, of course they will adjust the conference report to make it completely workable. Then you will have done more for the cotton farmers of America than you have done in all this legislation which you have passed, and repealed, for the last 10 years. I appeal to you, because I know you are going to have eternal bankruptcy in this country unless you restore the purchasing power of the American farmers—I appeal to you men from the manufacturing States to give us a living price for cotton, restore the prosperity of the cotton farmers, and then we will not want your industries.

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Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. May I say to the gentleman that as far as I know, practically every dairyman is in favor of giving the cotton farmers the protection they ask under this amendment. We are going to vote for the amendment, but we want you to help us and give us the same protection, that is all.

Mr. RANKIN. When you give us as much prosperity as the automobile manufacturers have in Michigan, and in other manufacturing sections, we will not try to take your industries.

Mr. BOILEAU. As far as I am concerned, we will do all we can to make your section prosperous, and I have been doing all I can.

Mr. RANKIN. Yes; the gentleman has been trying to kill our dairying industry in the South, as is shown by the vicious Boileau amendment to this bill. Now he wants to pass the so-called wage and hour bill to further burden the cotton farmers.

Mr. BOILEAU. May I say the gentleman from Michigan also opposed our amendment.

Mr. RANKIN. He opposes anything that will do the farmer any good, if I understand him correctly.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I will yield for a question.

Mr. HOOK. I want to thank the gentleman for his remarks on wages, because we do not need the wage and hour bill.

Mr. RANKIN. I am glad to hear that. No; the gentleman does not need it. His people are prosperous, but he does not want our people in the South to be prosperous.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for 1 more minute. The gentleman from Michigan [Mr. Hoffman] agreed to give me his time.

Mr. HOFFMAN. I will give the gentleman my time, Mr. Chairman.

Mr. PATMAN. Mr. Chairman, I ask that the gentleman from Mississippi be permitted to use the time of the gentleman from Michigan [Mr. Hoffman].

The CHAIRMAN. The Chair will recognize the gentleman from Mississippi for 3 additional minutes, and will not recognize the gentleman from Michigan [Mr. Hoffman].

Mr. RANKIN. I thank the gentleman from Michigan.

May I say to you gentlemen from the Northeast who are trying to pass the so-called wage and hour bill, and who admit freely among yourselves and to us when we are outside of this chamber that you are doing it in order to kill the growth of industry in the South, let me say to you that if you will give us a decent price for cotton, corn, wheat, and other agricultural products, stop robbing us with tariffs and discriminatory freight rates, then you will not lose your industries. I would rather live in a prosperous cotton country than anywhere else on earth. You give us a parity price for cotton, make our farmers prosperous, and we will not want your industries and all the trouble you have with them. Give the wheat and corn growers a parity price for wheat and for corn and they will not try to take your industries.

Mr. Chairman, I am not criticizing the Committee on Agriculture. The members of that committee have done the best they could under the circumstances. But I dislike to hear such a statement as made by the gentleman from Michigan [Mr. Hook], from a man who admits that his people are already prosperous. Of course they are prosperous. The automobile industry is the most prosperous business in the world today outside of high financing. I hate to hear him call us demagogues because we are trying to help people who are threatened with bankruptcy because of the depressed price of their commodities.

You may pass a law to raise wages to \$5 an hour if you want to. You may raise them to any other height, but they will not apply and such a law will not help. Already the walkout has started. Why? Because that great consuming section of the country known as the South is losing its buying power through the depressed price of cotton.



Put this provision in the bill. If it is not exactly what we need, the Senate conferees and the House conferees can correct it. Put this provision in the bill and for one time give our cotton farmers a decent break and enable them to live, pay their debts and their taxes, and enjoy a reasonable measure of prosperity, and then they will not want to take your industries away from you.

Mr. WILCOX. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. WILCOX. I would like to ask the gentleman if he knows what is the average income of the cotton farmer of the South?

Mr. RANKIN. I know what he makes an hour for his work. Today he is getting less than 8 cents an hour for his work on the farm, and let me tell you, gentlemen, that the cotton farmer works. [Applause.]

Mr. CUMMINGS. Mr. Chairman, I am wondering if the people who are advocating parity price really believe in it and really mean it or if they are simply talking for home consumption.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. CUMMINGS. No; I will not yield.

Mr. PATMAN. What about your sugar? You have a parity price on that.

Mr. CUMMINGS. We have not parity price or anything like parity price.

Mr. PATMAN. You voted for it.

Mr. CUMMINGS. We never asked it, and we are paying it all ourselves. Now, keep still. You have had time enough.

It is true that if the price on corn was fixed at 85 cents a bushel it would cost the taxpayers \$1,700,000,000 to pay the parity price on 2,000,000,000 bushels, and there is a production of 2,500,000,000 bushels. If you made a loan of 80 cents a bushel on corn, how many men do you think would feed their corn? Not 1 in 50. The farmer would just put it in the granary and take the 85 cents of the taxpayer's money and grow another crop and sell it. Fifteen dollars for hay at a parity price would cost at least from five to seven billion dollars.

I am inclined to give these gentlemen credit for having more intelligence than to think for a moment they could get it. They know that if this bill went to the President with such a provision, it would be vetoed at once, and it ought to be. There is no use in trying to get something that you cannot have over a period of years. What is the use of trying to get something for a year and then lose it?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CUMMINGS. I yield.

Mr. COOLEY. If this amendment were adopted, what would it cost to finance this farm program, in the gentleman's opinion?

Mr. CUMMINGS. I think it would cost from five to seven billion dollars.

Mr. COOLEY. Has any gentleman who has spoken for the amendment indicated the cost of the bill in the event the amendment were adopted?

Mr. CUMMINGS. No; they have not said a word about that. I do not think they have thought about it, and I do not believe they want to think about it.

Mr. Chairman, this debate has reminded me of a series of revival meetings I attended when I was a kid. They had a very eloquent preacher who had long, black hair, and about every 15 or 20 minutes after he got warmed up he would grab his hair with his left hand and hold his right hand high to heaven and say, "O God, dear God, what must I do to be saved?" My wife, the other evening, when I went home, asked me, "What are you doing down there?" and I said, "Mama, they are reminding me most of the time of those revival meetings I attended. It seems to me the big question now is, 'O voters, dear voters, what must I do to be saved?'" [Laughter and applause.]

Mr. CARLSON. Mr. Chairman, I am going to use the time that I have to bring to the attention of the House a message which I have just received from Mr. John Vesecky,

president of the National Farmers Union. I think this will be interesting in view of the pending discussion, as it shows the sentiments of one of the national farm leaders. Mr. Vesecky is a farmer and for many years has been an outstanding advocate of cost of production or parity prices for agriculture. He understands the agricultural problem, and the National Farmers Union is fortunate to secure his services at present. The telegram is from Salina, Kans., and is as follows:

SALINA, KANS., December 8, 1937.

HON. FRANK CARLSON,

House of Representatives, Washington, D. C.:

Neither committee farm bill provides sufficient assurance of parity prices nor parity income. Suggest provision be added setting minimum price on domestic consumption at parity or not less than 10 percent below parity whenever marketing quotas are declared. Maximum price 10 percent above parity could also be set.

JOHN VESECKY,

President, National Farmers' Union.

We are concerned about farm legislation. There is no doubt in my mind but what we want to enact legislation that will be beneficial to agriculture. The House Committee on Agriculture has worked hard and is entitled to much commendation. I have been going along with it, and I think what we are going to do is to pass the bill, go home, and next year come back with this same problem. I do not believe this is legislation that will be permanent legislation as it will not bring the relief that farmers are entitled to. This afternoon we have talked about corn and cotton. Those of us from the great wheat-producing sections are fearful that with another large crop we will again be faced with ruinously low prices. In my opinion the Agricultural Committee should begin at once to work out a plan that will furnish farmers parity prices on the percentage of the farm products domestically consumed. I sincerely hope that the gentlemen of the House will keep in mind the views of the National Farmers' Union in respect to parity prices. The farmers want parity prices and we think they are entitled to it. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. CASE of South Dakota. Mr. Chairman, if I may have the attention of the chairman of the committee, I have asked for this time simply to ask a question. Under the bill as it is written is it the gentleman's understanding that the Secretary will make loans on rye and barley as well as on the commodities specified in the bill?

Mr. JONES. The Commodity Credit Corporation is authorized to make loans and it may make loans on any farm commodity where storage provision can be made.

Mr. CASE of South Dakota. Is that true under existing law or would it be true under this amendment?

Mr. JONES. That is true under existing law except that existing law is temporary and this undertakes to make it a permanent provision.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. GREEN. Mr. Chairman, it seems to me that this is the wisest amendment that has been offered to this bill. It is the fairest amendment. It is one which will come nearer giving farm relief to the cotton growers of the country than any other amendment. I hope the Committee will also agree, if we adopt this amendment, to a similar amendment on tobacco and the other farm commodities embraced within the bill. It seems to me this bill without an amendment of this nature is nothing in the world but an idle gesture—to make stronger a few favored districts which are benefited by this bill. You will never have farm relief in this Nation until you establish a purchasing power in the hands of the farmers of the Nation, and never will you have industrial prosperity until this condition obtains. Never will you have these two conditions until you give a farm relief measure which applies to every section and every crop on a parity. You cannot force a wage and hour bill upon the American people and bring prosperity unless you get something in return for the farm districts that pay for the wage and hour prosperity; they must have parity in purchasing power.



The wage and hour bill is designed to help industry in the East and to continue to impoverish the south section of our country. I refuse to subscribe to such a warped philosophy of economy in our great Nation. We have more than 30,000,000 people on the farms and more than 30,000,000 people in industry.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I am sorry I have not time to yield. And until you carry prosperity alike to that 60 to 70 percent of our population you will not have an evenly distributed economy of prosperity.

In my opinion, the greater problem which now confronts our farm and fruit producers of America is underconsumption rather than overproduction; also is the problem of economical, adequate, and regional distribution. There is too much padding of the price commodities between the time it leaves the farmer's hand and the back or table of the consumer.

During the past 12 months in my home town corn sold for about \$2.75 per 100 pounds, or about \$2 a bushel. The man who produced this corn probably received less than 60 cents per bushel for it. The most of my colleagues today have on shirts made from cotton. I doubt that the producer of the cotton in your shirt received for it more than 10 cents or 12 cents. Out of this 10 or 12 cents it probably cost him 95 percent of that amount to produce it. He probably realized 1 or 2 cents' profit above the cost of production out of the shirt which you are wearing today. You paid, probably, about \$2 for the shirt.

You will, at almost any hotel in America, pay 15 cents to 20 cents for half of one grapefruit which brought the Florida grower who produced it probably one-half to 1 cent. Of this amount which he received possibly 90 percent, or in some instances 150 percent, represented his cost of production. What we need in America is better methods of distributing farm and grove products, also an elimination of the padding of costs which intervenes between the producer and the ultimate consumer. If corn were sold to the ultimate consumer for even 100 percent more than the actual producer received, then there would be a demand in the market for all of the corn produced in America. This same thing obtains with cotton, with grapefruit, oranges, rice, tobacco, wheat, and practically every farm-grown commodity in America.

Suppose in the case of the grapefruit, which I have just mentioned, the producer would have received 5 cents for the grapefruit, or 2½ cents for the half which you ate this morning for breakfast and for which you gave 20 cents. Would not that leave adequate profit for the handlers intervening to receive from this commodity? Suppose the farmer who made the cotton which you are now wearing in your shirt had received 20 cents for that cotton. Do you not believe \$1.80 is an adequate amount for those intervening who handled this cotton from production to consumption? Apply the same thing to all other farm commodities. If an arrangement could be made through the wisdom of our Agricultural Committee of the House whereby this intervening surplus and unnecessary cost can be reduced, then the purchasing market in America would greedily consume all farm products that America is capable of making.

There are millions in our country who do not have grapefruit once a week; who do not have one-tenth enough cotton garments or wool garments to wear or shoes to go on their feet; who do not have one-half of the bread they could eat or one-tenth of the cream of wheat which they need; who do not have a quart of milk once a month and who have not seen a pound of butter in 30 days; also who do not have rice once in 6 months and with whom sugar, corn cereals, cream, cheese, and cigars are luxuries of which they can only dream.

My colleagues, this is our problem rather than undertaking to supersede nature and the laws of nature and the fundamental laws of supply and demand. There are enough hungry mouths in America today to eat every apple, orange, pound of flour, pound of rice and corn that can possibly be made in our country. There are also enough people in America without adequate bedding and clothing who could within 60 days well utilize every pound of cotton in America and not at all be overclad or overcovered in their slumbers.

Under the provisions of this bill the basic agricultural commodities, some of them actual necessities of life, will be frozen in a few favored States of the Union. The production of these commodities will not be able to migrate to the various sections of our country where the population needs them. They will not be able to retreat from the unfavored and rocky hillsides of some of our present producing areas to fertile and more favored areas in other States and in other sections of the producing States. My friends, this freezing or attaching and localizing production of our essentials of life, contrary to soil conditions, climatic conditions, and the wants of our local people in local areas is undoubtedly contrary to the best interest of the American people.

The same philosophy which is embraced in this farm bill in its present form is, in my opinion, contained in the Black-Connery wage-hour bill. This bill, it appears to me, if enacted into law, will freeze or attach existing industries in America in their existing localities. It will prohibit their migration to other and more favored areas of the United States. It will prevent local industries springing up in other parts of the country through the dire necessity of such local community. It may obviously destroy the power of our labor unions and labor groups. When the Government fixes by law wages and hours, then the usefulness of our labor groups in their field of bargaining collectively for better conditions for them is lost. I cannot vote for such philosophies.

We must have better conditions in America for the farmers and laborers of our Nation. They must have added purchasing power, and with them the comforts and luxuries of life must become more common and more plentiful than as now, with the bare necessities of life. No nation can thrive and prosper with some 20 percent of its population existing on the bare necessities of life and deprived of the comforts and luxuries of life. In America we have an abundance of not only the necessities of life but also of the comforts and luxuries of life. In order to approach the goal of ideal American citizenship, these luxuries and comforts must come within reach of, and must be visited to, the homes of every American citizen.

The pending farm bill is not equitable and cannot bring about this ideal American citizenship, even insofar as the few beneficiaries are concerned. I have confidence in the Members of our House Agriculture Committee and believe that if this bill can be recommitted to this committee, they can bring to the House a bill which will more nearly bring about the things which I mention. I cannot bring myself to vote for such legislation as the present substance of this farm bill and of the existing wage-hour bill. I cannot vote to discharge the Rules Committee from the wage-hour bill, nor can I vote for its enactment.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. NICHOLS. Mr. Chairman, this afternoon and particularly in the discussion of this amendment I have heard freely used the words "demagog," "vote hunters," "un-American and unpatriotic" applied to those men who are supporting this amendment. I wonder if I have to be a demagog, I wonder if I have to be unpatriotic; I wonder if I have to be selfishly seeking votes and nothing else in order to favor for the cotton farmers and the other farmers of the Nation the same protection at the hands of the Government that a majority of those by having affixed their signatures to a certain petition have said shall be guaranteed to labor? With every pound of my being I am for labor to receive a living wage. I think it would be a disgrace for Members of Congress and the people of the United States to expect labor to work for less than a living wage, and I think it is a dirty, stinking shame that this Government or its citizens should expect the cotton farmer to continue to work in his field from daylight to dark, using by his side the labor of his wife and in many instances the labor of his children of tender years, and even with all that effort come out at the end of the year with less than a living for that year's work. The chairman of the committee says that if this amendment



were adopted it would take more money to finance it than the Government could afford. Mr. Chairman, this was a control bill, I thought, when the consideration of the bill was started in the committee, and the principal bone of contention between the members of the committee was as to whether or not it would be compulsory control or voluntary control, whether you would be compelled to take part in the program or whether you would take part in it voluntarily.

I favored the compulsory plan. I still favor it. This amendment will apply to wheat also, but let us give the cotton farmers parity. What is parity? It is simply an effort to put them on equal footing with other business in the United States. That is all it is. Who is going to object to that? Do I have to be a demagogue? Do I have to be unpatriotic in order to have the nerve to get up on this floor and say that I think agriculture should be on an even footing with other business? If I do, then, my friends, willing am I to be a demagogue. Parity for the farmer, parity for cotton as compared with other business and other industry. It is perfectly simple. There is no use being alarmed. If this amendment is adopted, the conferees, if they become convinced that a majority of the Congress wants parity prices and they are afraid of bankrupting the Government, which is a new fear in this administration, if it is present now [laughter], can by their own compulsory control in the conference control the production of cotton, and thus save this country. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Minnesota [Mr. BUCKLER] is recognized for 3½ minutes.

Mr. BUCKLER of Minnesota. Mr. Chairman, I rise in support of the Patman amendment which will give parity prices on farm produce consumed in the United States.

Mr. Chairman, I happen to come from one of the most fertile parts of the United States, the Red River valley of Minnesota. We produce as much wealth as any other section of the United States. It has only been about 60 years since our section was homesteaded. In those 60 years title has passed from the farmers of Minnesota into the hands of Wall Street and the bankers, mostly. Less than half the farms in our State are owned by farmers themselves. The rest of the farms are tilled by tenants. After producing all the wealth, today we find we have very little of it left.

I would ask you city people to go out to the country and watch those farmers and their wives and children toil. You can find women out in the cold and rain driving mowers and plows. You can find little children doing the same thing. They are all working together to try to save their homes. All we ask in this legislation is parity with other industry.

I am a farmer, as I have often told you. Perhaps you can tell it by looking at me without my repeating it, but I have been accused a few times of being an attorney, so I have to keep reminding you about being a farmer. I am a farmer, but I signed the wage and hour petition. I signed it because I want the laboring man to have a decent living in the United States, but when we vote for that legislation, of course the price of what the farmer has to buy may be raised a little. You laboring people who have been chasing around this Congress for the last 6 months trying to get this petition signed, should do the same thing for us farmers that we are willing to give to you. Give us parity and a decent price, so that our women and children can have a decent living.

This bill before us now is but a little better than nothing. It does not go into operation until 1939. What are we going to do in 1938? You say you will give us 55 percent of parity—guarantee us a loan of 55 percent when parity, as I understand, is \$1.17 a bushel for wheat. Who is going to set the price between the loan price and \$1.17? The grain gamblers and bloodsuckers on the board of trade in Chicago and Minneapolis, who are gambling on the farmer's produce, will set the price which has been breaking the farmers of this Nation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Oregon [Mr. PIERCE] is recognized for 3½ minutes.

Mr. PIERCE. Mr. Chairman, I am very much in earnest in wanting this bill. The attempt to add this amendment fixing parity prices at this time means the death of the bill. [Applause.] There are a hundred Members on this side of the aisle whose seats are in jeopardy if this is tied on, and certain other amendments that have already been tied on remain in the bill. I know what it is to raise wheat at a fixed price. I did it in war times and enjoyed farming better than at any time in my life; but it is simply impossible now to fix cotton at 16 cents and wheat at \$1.17. You watch these Members on my left—the Republicans over here—when we vote by tellers, going through the aisle, voting to attach this to the bill, hoping to defeat the bill. I appeal to my Democratic friends to keep this bill free from destructive amendments. If you continue putting on amendments like this we will be the laughing stock of the country. It is impossible, with the credit of this country, to finance this amendment as it is. I believe this administration is mistaken in not issuing currency to the amount of three billions, as provided in the A. A. A. Act. I believe there is a mistake in not giving us increased purchasing power. I believe there should be currency issued against the gold that is buried up in the country in Kentucky.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I do not yield.

I believe in higher prices for farm products, but I do not believe you can do it in this way. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD] for 3½ minutes.

Mr. CRAWFORD. Mr. Chairman, at this time I rise to make one or two observations with reference to what the gentleman from Michigan [Mr. Hook] had to say when he spoke about the harmful operations of the speculator. The more we concentrate the holding of commodities in cooperative associations or in large volume, the greater is the risk on account of price declines. When you remove the speculator from the commodity field you impose on the holder of that concentrated stock of commodities an extraordinary market risk. Take a situation where cotton declines, as it did within the last few months; assume that a large cotton crop had been held by the southern cotton growers, or large corn crop in the face of a big market decline held by the corn growers, and the loss becomes disastrous. The history of the Hanseatic League and the Venetian traders shows that their subconscious sense told them they had to have someone in between to assume these drastic declines in market values. I just wanted to point out to the Members here that we have not yet designed a mechanism whereby market risks are not involved.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. COFFEE of Nebraska. Is there anything in this bill, should this amendment be adopted and loans of 16 cents a pound made on cotton, that would prevent the importation of cotton from the rest of the world?

Mr. CRAWFORD. I do not know of anything.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. PATMAN. There is nothing to keep the conference committee from putting it in, is there?

Mr. COFFEE of Nebraska. Mr. Chairman, if the gentleman from Michigan will yield, I will say to the gentleman from Texas that the Committee on Agriculture has no jurisdiction over tariff matters.

Mr. CRAWFORD. It would seem to me that the Members on the floor could write such legislation into the bill; certainly we have jurisdiction over such matters. Insofar as I am concerned, I do not want to be a party to including in this bill or any other measure provisions which will encourage greater importation of goods from other countries at the cost of our own people. The farmers of my district know full well that we have too much of that type of legislation



on the books at the present moment, as evidenced by the increasing volume of competitive foodstuffs flowing to our shores from farms located in other parts of the world.

Mr. Chairman, what I desired to say is this: We can draw some lessons from the history of the old Venetian Republic and the Hanseatic league of cities. In those days transportation was slow and losses due to price changes for raw materials while in transit were serious and ruinous. We have increased the speed of transportation, but we are here considering control measures which enforce the holding over long periods of time commodities in great volume. The subconscious sense of the men in charge of trading affairs in those days demanded and, I might say, provided some measures against the hazards which the wild price fluctuations involved. They resorted to heavy-profit margins, and I believe it is true the Hanseatic League passed regulations with severe penalties against the sale of wheat before it was threshed or herring before they were caught.

The cotton South later came into being as an "exporting" group. It became necessary for them to sell on a basis of "forward delivery." And still later sales were made on basis of "in transit" or "to arrive." Still later we experienced the warrant system, and it became possible to transfer "ownership" without making delivery of the commodity itself, the warrants representing specific quantities and lots. In due course the export trade with Europe brought into operation the modern mechanism known as the "future contract." Internally we have built the great grain elevators, warehouses, and have adopted the receipt system for grain stored. Through the "future" contract it is possible to eliminate the risk of market decline, thereby permitting great volume to move on a basis of a very small profit margin. The producing, exporting, shipping, and trading world has spent centuries groping about in an attempt to work out something fair and sound. Whatever we have today we must bear in mind it has come about through hundreds of years of patient progress toward a definite end. Generally speaking, when the world so proceeds in one straight line it does not make many mistakes. Shall everything be discarded like a piece of antiquated machinery for some untried experiment?

Surely, if the distinguished member of the Agricultural Committee [Mr. Hook] is now proposing to have the farmer store his products and thereby carry all the risk, does he propose to destroy all the machinery that would, at the same time, permit that farmer to hedge against losses due to market declines? Does he not fully realize that ownership carries risk and that the greater the volume of ownership in the commodity world the greater the risk due to market decline? Let the principle be perfected in such detail that the farmers of this Nation may also participate in a plan which diminishes their risk. Is the fault which the gentleman complains about in detail or in principle? That is for his committee to determine as they promote the provisions of this bill.

May I ask the gentleman this question? If the cotton and grain merchants are denied the right of access to the future contract, will they not demand a wider margin of profit per bale of cotton and bushel of grain and all to be passed on to the ultimate consumer? Take cotton, for instance—the present 20,000,000-bale stock. A mark-up of \$5 per bale means an increased price to the consumer of more than \$100,000,000 annually and for what?—for insurance against market declines. Under the present system the insurance is carried at the cost of the speculator. The speculator goes into the market and assumes the risk in the hope that he will win. Some gain, but many, many lose. His operations spread the risk and thereby relieve the producer and the merchant—if the details are perfected. Think of the capital that has been lost through men speculating their savings in the hope of a profit in connection with mining for precious ores and drilling for oil. Certainly millions of them lost, but society has gained.

Recently we have heard so much said about thin markets. We now hear the Secretary of Commerce claiming that the present recession has no reason for becoming a

major depression "because of low inventories." Does he not mean that the risk is small by reason of stocks being low? Certainly that is what he has reference to.

Who is to protect the cooperative associations as they grow in size and accumulate vast stocks of commodities against hostile fluctuations in the markets of the world? We no longer control the cotton market. At the present rate of production of cotton in other parts of the world what will be the situation before the machinery for the administration of this bill is in full running order and the quotas and storage restrictions effective? What will be the problems 10 years from now?

Will Congress appropriate the necessary money to provide insurance equivalent to hedges? The speculator had the chance, certainly the hope of profit. He speculated. As the heavy hand of the tax collector presses down on the shoulder of the taxpayer do you contend the latter will have either chance or hope of profit? Above all, what will happen to our cotton grower when like Brazil, the Federal Government decides to abandon its course?

Mr. Chairman, this bill deals with commodities which have a world-wide use. They also have or carry an uncertainty of supply and demand. Furthermore, they are subject by nature of uncertain supply and demand to wide fluctuation in price. We cannot be too cautious and too deliberate in taking steps which may bring great disaster—far greater than our people have ever experienced—to millions of our people. Personally I feel that we are working under great pressure for haste and speed and that we are not, as a Congress, fully comprehending what we are about to do. The big thing seems to be "pass the bill before Christmas" instead of having something that will not bring greater misery to our people who have looked too long toward the Halls of Congress for their economic salvation. Surely some day we shall come to the full realization that government is not big enough financially to do very much for our people but that they will not only be compelled to do things for themselves but, in addition, provide through their efforts in the form of contributions to the tax box, the full amount of money required to carry on the affairs of such government as they may have over them.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman already has that privilege.

The gentleman from Arkansas [Mr. McCLELLAN] is recognized for 3½ minutes.

Mr. McCLELLAN. Mr. Chairman, I do not know what will be the final outcome and result of this attempt to pass legislation to aid agriculture. Whatever we do may prove a mistake, but whatever criticism may be offered to the law we pass before this session will have adjourned, it cannot be said that we did not sincerely try to write a farm bill. About everything that could be suggested has been, and every proposal and amendment is being debated and considered.

We all want to do something; and the sole purpose of this effort is to ultimately raise the price of agricultural products so as to restore the farmer to a relatively equitable position in our economic and industrial life. I would like to write into this bill, if it were possible to do so, that the farmers shall receive a standard wage for the product of their labor, just as many of you propose and expect to write into law at this session of Congress by passing the wage and hour bill a provision that will give to labor a minimum wage and limit the hours of their toil in industry.

Mr. Chairman, if we are going to pass that character of legislation at this session of Congress, if we are going to adopt a legislative policy of price fixing, then I am ready to vote for this amendment and place in this bill a level below which the farmer will not have to toil, without any regulation of hours, in order to produce a living for himself and his family. [Applause.]

I seriously doubt the wisdom of any character of price fixing with reference to commodities and with reference to both agriculture and industrial products. I doubt seriously that any such policy can ever be successfully operated and



maintained; but there is a strong block here apparently determined to enact a law designed to increase wages to industrial employees, and if we are going in that direction for the laboring man, then eventually we are going to go that way for the farmer, and we may as well begin now to fix the price of his products so as to raise his standard of living. [Applause.] You may not do it today, but ultimately it will have to be done if we by law fix the price of industrial labor.

You cannot nail down one end of the plank for labor and leave the other exposed and ragged for the farmer. His prosperity and standard of living must be taken into account for it is just as essential to the welfare of this Nation. When wages are raised in the manufacturing establishments, a corresponding increase occurs in the cost of what the farmers are compelled to buy. So if we are going to embark on outright price-fixing policies, and I again warn they are dangerous, we cannot possibly justify such a cause if we ignore and neglect those who dig from the earth the very food that sustains us all.

Mr. Chairman, I am going to vote for this amendment. Whatever bill we pass will go to conference. The Senate bill will be there. We all know that the conferees will virtually rewrite this legislation. I anticipate, should the House adopt this amendment today, it will be stricken out by the conferees. I do not expect it to stay in the bill, but I think I can tell you now that if there is going to be price fixing in other fields that insures a high standard of living for the laborer in various other enterprises, then the farmer has a right to expect, and will demand, a law to fix the price of his products, so as to raise his standard of living. He is already crushed under present conditions. He cannot longer endure and will be unable to survive further increase in prices of what he must buy with continuing decrease in markets and income from what he produces.

We may as well recognize now that this Nation will never be prosperous so long as agriculture, our largest industry, is stranded in virtual insolvency. Price fixing is not the remedy for our ills, but those who ask it to insure their welfare, must stand ready and willing to grant it to others who seek equal protection.

Mr. Chairman, when some are brought to a realization that there are certain factors and processes other than laws that enter into and influence existing conditions, we will likely secure the enactment of fewer bills but more wholesome laws. [Applause.]

The CHAIRMAN. All time has expired. The question is on agreeing to the amendment offered by the gentleman from Texas, Mr. PATMAN.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 68, noes 97.

Mr. PATMAN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. PATMAN and Mr. DOXEY to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 81, noes 113.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 14, line 13, strike out all after the period down through line 9 on page 15.

Mr. JONES. Mr. Chairman, under the amendment I have just offered with reference to the loan provision beginning on page 14, line 14, I strike out the remainder of the paragraph. This would leave the provision as the committee first had it, without having any figures at all for any commodity and would simply leave the loan provision read this way:

The Commodity Credit Corporation (in this act called the Corporation) is authorized, upon recommendation of the Secretary and with the approval of the President, to make available loans on agricultural commodities (including dairy products). The amount, terms, and conditions of such loans shall be fixed by the Corporation with the approval of the Secretary and the President.

If the amendment is agreed to, it would eliminate the Lucas amendment. It would eliminate the fixed rates on all commodities. After all, someone has to be responsible for these loans. This would require the approval of the Commodity Credit Corporation, the President, and the Secretary. They would fix the amount and the terms and conditions of loans. They would treat all commodities alike. Under the bill no maximum or minimum figure would be set. The matter of the amount, terms, and conditions would be left just as it is, under the present Executive order, with the provision that was temporarily made for carrying it out.

Mr. MAY. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Kentucky.

Mr. MAY. I am somewhat in sympathy with the gentleman's suggestion with this exception: I would like to know if the chairman of the Committee on Agriculture has any information as to the amount it will cost the Government if you leave it up to the Commodity Credit Corporation, the Secretary, and the President?

Mr. JONES. You would have all three of those. You would have the same loan provision you have now. They have handled it pretty well up to the present time. This would do away with the yardsticks altogether.

I want to be perfectly frank and say this would carry with it not only the maximum and minimum limitations put in here but would also carry the Lucas amendment.

Mr. MAY. Are the terms of the loans fixed in the Commodity Credit Corporation Act?

Mr. JONES. No. This would be practically the same thing.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. As I understand it, if the gentleman's amendment is agreed to, loans uniform in amount will be made all over the country rather than in sectional areas or in different amounts.

Mr. JONES. The gentleman is correct. I rather believe that, in view of the action taken by the Committee—there are more Members here, and I just want the honest judgment of the Committee—this would be wise, because the administration at the time, whichever one was in power, would have to be responsible for its action. This would put all the commodities on exactly the same basis.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. LUCAS. Does the gentleman agree with me there is a distinct difference between loans on corn and loans on cotton?

Mr. JONES. I do. For that reason I believe they will consider in making the loans the rights and conditions with respect to any commodity. They do not have to make the same loan under this provision as to one commodity that they make as to another commodity. They will fit the loan to the commodity without any limitation.

Mr. LUCAS. May I ask the gentleman if it is not a fact the amendment which was adopted a few minutes ago by the Committee was submitted to the gentleman from Texas, and he replied to the gentleman from Illinois that he had no objection if we would include the latter bracket, which reads, "55 percent, if such estimate exceeds a normal year's domestic consumption and exports by more than 10 percent," and I agreed with the distinguished Chairman to do that?

Mr. JONES. I will state frankly that is substantially true. The gentleman came with another party into my office. If the fact it was a mandatory loan registered on my mind, I did not realize the implication of it. I had the impression afterward that it was a permissive loan. I am sure the gentleman stated it was mandatory because he had the same figure in it. As soon as I discovered this feature yesterday I called up the gentleman and told him I did not believe the loan should be on a mandatory basis. I also called up the other party over long distance telephone last night and told him the same.



I come back to the proposition that if my amendment is agreed to it will be as the committee first had it. It will treat all commodities alike and will make the loan available for all commodities, the loan to be fitted to the commodity.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the Speaker of the House.

Mr. BANKHEAD. Without undertaking to express any opinion whatever with reference to the merits of any particular section of this bill, there is one matter I should like to get cleared up in my own mind as a representative of my constituency, and that is this: As I understand this bill, no provisions are made for the exaction of any new levies of taxes of any nature whatever to meet any of the requirements of such bill as shall be passed.

Mr. JONES. The gentleman is correct.

Mr. BANKHEAD. Then, I should like to ascertain from the chairman of the committee the amount of revenue or funds which will be actually available in the event this bill shall be passed, without the imposition of any new taxes.

Mr. JONES. Assuming the House appropriates the amount authorized under the present Soil Conservation Act, there will be \$500,000,000 available under that act, and there will be an additional amount, for the purposes of exportation, of 30 percent of the customs receipts, which will probably run from \$110,000,000 to \$125,000,000.

Mr. BANKHEAD. Assuming that which may or may not be true, that we shall have to make the allocation on the basis of the funds now in sight, to wit, \$500,000,000, plus such amount as may come out of the operation of section 32, if the amendment now proposed by the chairman of the committee should prevail these funds would have to be allocated and these various commodities would have to take their chances out of the amount of money now in sight?

Mr. JONES. No; the gentleman is not correct. The loans would not necessarily come out of this figure because they are made by the Commodity Credit Corporation. This is simply a continuation of the present act as far as the Commodity Credit Corporation is concerned. It was hoped the loans would be made on a reasonable basis and not entail any great amount of loss. We simply carry forward the present provision, and the loans are made by an organization which is under the R. F. C.

Mr. BANKHEAD. Does this mean that in addition to the sum of \$500,000,000 mentioned by the gentleman further funds would be available for loans by the Commodity Credit Corporation?

Mr. JONES. There would be whatever the Commodity Credit Corporation now has, and then provision might be made for this permanent organization. If my amendment is adopted, we simply carry forward the present act, which will expire within 2 years, I believe. This would carry it on and authorize it to be made if that organization is carried on.

Mr. BANKHEAD. I thank the chairman for the information.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is perfectly obvious this amendment proposes to turn the legislative powers of the Congress over to the President. The President appoints the Secretary of Agriculture, and he appoints the Commodity Credit Corporation members. Therefore, this amendment turns all the legislative functions and powers of the entire Congress over to one man.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. FISH. I should like to be corrected if I am wrong.

Mr. JONES. The gentleman is incorrect only to this extent: That it is already there. This authority has already been granted by the Congress, and this amendment simply authorizes that organization to continue doing what it has been doing.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. FISH. No; I do not yield.

The amendment as it was read certainly gives that power to the President. If he had the power already, there would be no purpose in giving it to him. It gives the President the full power over agriculture and farm prices, and he could spend, under the terms and provisions of the amendment as read, not only a billion dollars but \$10,000,000,000 annually. In the amendment suggested by the gentleman from Texas there is no limit whatever on the amount of money to be loaned on farm commodities. The point is, there is no money in the Treasury for this purpose now. We have not yet put the \$500,000,000 into the Treasury that this farm bill needs to function in accordance with its provisions.

Now, if you pass this amendment, who is going to say how much money it will take to pay out loans on all these different farm commodities, not only the ones contained in this bill, but the ones produced in my district, in the President's district, such as dairying, vegetable and fruit growing, poultry raising, and so on? Who is going to say how much they are to get? And if this provision is so broad as to include all commodities, then we will be called upon, as the speaker has suggested, for an appropriation far larger than \$500,000,000. What I want to know before we vote is how much this amendment is going to cost. Will it cost \$5,000,000,000 or \$500,000,000? I would like to have the gentleman from Texas make this clear. Will this amendment cost any more money?

Mr. JONES. It may not. If the collections under the present loan are sufficient, it will not even require any more money than is out now. Nobody can tell what the ultimate result will be, but, certainly, under the present program I do not think the loans are unreasonable, and I do not believe the gentleman will contend they are.

Mr. FISH. What is the purpose of the gentleman's amendment if the President has these powers at the present time?

Mr. JONES. This is permanent legislation and it was thought this was the simplest way to make provision for the continuing loans and, of course, in order to make this available, it will be necessary for the proper committee to continue the activity and life of this Corporation, which, I think, should be continued. I will state to the gentleman that I believe some very fine work has been done, and is being done, under the loan provision.

Mr. FISH. Can the Commodity Credit Corporation lend on all commodities today?

Mr. JONES. It can lend on all commodities today.

Mr. FISH. Has it made loans on any but the three or four big, staple commodities?

Mr. JONES. It has made loans on a number of different commodities and has tendered loans on a number of others, the effect of which has been to bring up the price and the loans were never made. The same thing is true as to section 32, and may I correct the statement I made in answer to the speaker. It is possible that some of the funds under section 32 may be used for this purpose. I was in error in my answer about that.

Mr. FISH. Will the gentleman inform the House whether in his opinion this amendment will cost any more money or will cost more than the \$500,000,000 needed to carry out the provisions of the farm bill?

Mr. JONES. I think there is a possibility of some losses on these loans, but if they are handled properly I do not believe there will be material losses.

Mr. FISH. I am not referring to loans but to the appropriations by Congress. Will more than the \$500,000,000 have to be appropriated?

Mr. JONES. I think certainly not for the coming year, and it depends on the action of the Congress thereafter.

Mr. FISH. And this money is to be spread around on other commodities besides cotton, wheat, corn, tobacco, and rice?

Mr. JONES. Yes.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment may close in 27 minutes.



The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUCAS. Mr. Chairman, I am rather a neophyte here in Congress, and sometimes I confess to myself and those who are about me that I doubt that I know what it is all about. To say I am surprised at this latest move on the part of my distinguished chairman is putting it rather mildly.

This question of mandatory loans upon corn did not arise on the spur of the moment. This question of loans has been debated back and forth in the Committee, with little or no success, and yet, when the Secretary of Agriculture approved in principle this provision, which has been voted on successfully here, it was thereafter submitted to the able chairman, who inspected it, and advised me that he had no particular objection if I would lower it to the 55-percent bracket.

I know the chairman is a busy individual. I have a tremendous amount of respect for his ability, his judgment, and his industry. I know he has had a great charge in connection with the handling of this bill, but, Mr. Chairman, I represent a tremendous industry out in my section of the country. I happen to be the only individual on the committee who represents the corn districts of Indiana and Illinois, and I went into this thing in good faith.

I am satisfied if this mandatory provision is left where it is in the bill it will accomplish the stabilization that the corn farmer for a long time has been looking forward to; that is to say, a fair and decent price for the product he raises out there on the soil will be given him. This year we have an abundant crop; bountiful Nature has given us 2,600,000,000 bushels of corn and a carry-over of 60,000,000 bushels, and if this provision of mine were in effect today we would not be getting as much under the mandatory provisions of this amendment as the Secretary of Agriculture announced recently for purposes of a corn loan.

Mr. Chairman, I submit in all fairness that we passed on this matter. We had an honest debate upon it, and this is a means at the last moment to scuttle an important measure that takes care of thousands upon thousands of farm families in Illinois who are interested in one of the basic industries of this Nation, namely, the production of corn.

I hope that those who stood with me in this first fight will continue to stand with me and vote down the amendment submitted by the distinguished chairman. [Applause.]

Mr. SHORT. Mr. Chairman, with all due respect to our Committee on Agriculture, which is composed of able and honorable men, this bill is a classic example of the most ill-considered, loosely drawn, and ambiguous piece of legislation ever presented to a parliamentary body. I confess my abysmal and pitiful ignorance, along with my distinguished friend from Illinois [Mr. Lucas], as far as this measure is concerned. This bill will not work. It goes against the laws of Nature. It undertakes the impossible. We might as well legislate against thunder and lightning. The amount of rainfall and sunshine is not regulated by Congress, nor is it controlled by the Secretary of Agriculture. In spite of our efforts, God is still greater and more powerful than Lord "Corn-Wallace." [Laughter.]

The philosophy back of this bill is the philosophy of Moscow. It has been tried many times in history and has never worked. It never will. Yet—

As a dog returneth to his vomit, so the fool returneth to his folly.

Whatever the purpose or motive of its authors or sponsors, its result is certain and inescapable. It gives the Secretary of Agriculture absolute power to control the principal crops of this Nation. Mr. Wallace and his local committees, appointed by and responsible to him, can and will tell the American farmer in the remotest corner of our Republic how many acres of a commodity he can plant and how many bushels of that commodity he can sell. Mr. Wallace—and he alone—is given authority to lay down rules and regulations having the force of binding law as if enacted by Congress.

By this act we render ourselves superfluous and impotent. The farmer's freedom is destroyed and he becomes a ward of the Federal Government, removed one short step from serfdom. His neck is placed in a noose and the bait held out to him by the Secretary of Agriculture is merely an inducement to get the halter on the farmer in order that some little visionary, bureaucratic whippersnapper can work the hunger-whipped slave in the harness as he sees fit. This farm bill will farm the farmer, and the only issue that confronts us now is freedom or serfdom for our people.

The farmers in my district prize their corn, cotton, and wheat, but there is something, Mr. Chairman, they prize infinitely more than these material things. That something is of great spiritual value, that noble and precious heritage we call liberty. Under the terms of this incomprehensible measure one thing at least is certain and unmistakable. The Secretary of Agriculture is given discretion to pay some farmers and to withhold payment from others. No human being is endowed with the divine wisdom and virtue to administer justly this act. Some farmers can be rewarded and others can be penalized at the will of the Secretary of Agriculture. The door is opened wide to political corruption and reprisals, and opportunity is offered a Cabinet member to build up a gigantic personal political machine. Never before in the history of free government have we witnessed such a brazen and inexcusable grant of unprecedented and almost unlimited power to one man.

We may not always have as Secretary of Agriculture a man of oracular wisdom, sublime virtue, and impeccable judgment. If enacted into law, this bill will set one class of farmers against another, and cause one farmer to hate his neighbor. Bootlegging, perjury, and thievery will follow, agriculture will be dislocated and disillusioned, and, what is worse, the liberty and character of our best citizen, the American farmer, will be destroyed. For God's sake let us keep America American by letting every man walk the earth his own king, the equal lord of every other man, go his own way, work out his own will, and weave into the warp and woof of the magic days the dreams that haunt, the duties that inspire and urge him on. [Applause.]

The CHAIRMAN. The gentleman from Minnesota [Mr. BERNARD] is recognized.

Mr. BERNARD. Mr. Chairman, for the last few days I have been listening to some Members of this House with pleasure and surprise. Many of my esteemed colleagues who in the past have always disagreed with me on everything seemed to have been converted to my views.

Gentlemen who in the last session argued for a drastic cut in relief expenditures now weep for America's hungry millions.

Gentlemen who in the last session could only shout "economy" now tell us that our people have not enough money to buy food.

In the last session it was only the Progressives who argued that we do not suffer from overproduction but from underconsumption. Now the very Members who have blocked every administration measure to expand the buying power of our citizens tell us "the workers have no money to spend for farm produce."

Underconsumption has become the pet discovery of those who are in part responsible for underconsumption.

Have these leopards changed their spots?

I would like to think so, but my new friends are inconsistent, and I am forced to doubt their sincerity. At one moment they protest the amendment offered by my friend, Mr. BOILEAU. The Boileau amendment, they say, will take the milk from the mouths of starving babes. And at the next moment they advise us to feed the starving babes by repealing the surplus-profits taxes.

Do these new friends of the hungry and poverty-stricken mean starving babes—or starving corporations? Who is it that they really want to feed?

I do not forget that in the last session my friend, JERRY BOILEAU, introduced a bill calling for \$3,000,000,000 to create 1,000,000 jobs. And I do not forget that those who now accuse him of taking food from the mouths of babes voted



against his bill and even advocated cutting the administration measure to \$1,000,000,000.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. BERNARD. I do not have time to yield.

I do not believe that it is Mr. BOILEAU who is the apostle of starvation.

I would like to think that these new spokesmen for plenty are real converts to the progressive cause. I will think so when they support the wage and hour bill, an increased relief appropriation, more money for housing, higher taxes for the rich, and lower taxes for the poor.

But—until they are ready to prove their sincerity by votes—let them not mock the hungry with their crocodile tears. We Progressives who condemn the crop-destruction provisions of this farm bill have a right to condemn them. We are doing all we can to root out the causes for underconsumption. We are going to vote for every measure which will increase the spending power of those whose hunger makes the "surplus" of farm crops. We are going to resist with all our strength every attempt to feed the trusts and the corporations while the people starve.

We have the right to condemn scarcity, and we do condemn it. We have a right to say, "Let the Government pay the farmers for growing food, not for plowing it under." We have a right to deny that there is a farm "surplus" so long as one child anywhere in the world goes to bed hungry. We have a right to say these things because we believe them.

But as for the new advocates of abundance—they are treading on dangerous ground. What will their constituents say when they go home? Theirs is not an easy position to explain to the jobless, the W. P. A. worker who has been laid off, or the needy for whom no relief can be found.

"I voted against the farm bill," they can say with pride, "because it perpetuates an economy of scarcity; because it destroys food when many are hungry."

And their hungry constituents will ask: "But what did you do to find a few dollars so that we can buy what the farmers still raise?"

What will they answer, these new disciples of the more abundant life? I hope they will be able to answer that they have done something besides cut Mr. Morgan's tax bill.

It is not wise to trifle with the wrath of hungry men. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The gentleman from Iowa [Mr. DOWELL] is recognized for 1 minute.

Mr. DOWELL. Mr. Chairman, a short time ago the House adopted a corn loan amendment, which will be very helpful to the corn producers of this country. I want to ask the chairman of this committee if his amendment is not intended to set aside the amendment that the House adopted just a few minutes ago? At least, as I understand, that is the purpose of the amendment.

Mr. MASON. He said it was.

Mr. DOWELL. I am told he said it was so intended. It seems to me that that amendment, having been adopted by this House, it should not be defeated by an amendment of this character. The corn loans have been most helpful to the farmers, and the Government has not lost a dollar by these loans. The amendment providing for corn loans adopted by the House a short time ago should stand and this amendment intended to strike it out should be defeated.

I am opposed to this amendment.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Iowa [Mr. GILCHRIST] is recognized for 5 minutes.

Mr. GILCHRIST. Mr. Chairman, I am, of course, overwhelmed with the bursts of oratory when I hear on this floor about how we are trying to control the hands of God Almighty; about how we are going to control sunshine and rain; about how some officer is going to be delegated the authority to say how much crop we shall produce and how much crop we shall sell. You can make a fine oration by saying that the liberties of the American people are going to be taken from them by this bill, but if gentlemen would

read the bill, they would soon understand that it does not do any such thing at all. This bill does not provide for scarcity. It is not a bill that seeks to control sunshine, rain, or production. This bill will leave the American farmer with every liberty that he now has, except, in possibly one year out of eight or ten, and then when he votes for that control himself.

It is fine to talk about American liberty. We have perhaps all had forefathers who marched with George Washington from New York to Yorktown. But this bill, and the amendment now before us, does not control one bushel of production of corn, not one. The farmer is allowed to produce every bushel of corn that he can. The farmer is allowed to harvest all that he can. In extreme times, when the farmers vote for it, under a formula that Congress fixes and not the Secretary fixes, then, and only then; and at no other time can the Secretary provide for a vote.

It does not give the Secretary one single thing or a single power or authority, except under the rule and formula that Congress itself proposes and lays down in the bill itself. So that when I hear these bursts of oratory I am greatly pleased at the oratory; but I am bound to believe that the orators ought to read the bill. I think they ought to know what this bill provides. Once in a while during the course of years, when the farmers ask for it, the farmer can be told, "Here, you put a small part of your corn into storage for a while, until the world shall demand it and the price shall rise, so that you yourself will be helped and your neighbor will be helped, and no one will be injured." It does not prevent him from doing as he pleases with the vast amount of his product. He raises it; he sells it where he pleases and when he pleases, with the exception that I have noted.

How easy it is to talk about liberty and the American flag. Oh, I know something about liberty myself. I have seen the sheriff march into the homes of the corn farmers of my community and my county and kick farm owners out into the street. That is liberty. That is the liberty of the man who owns the mortgage. So I am trying to fix it so that the farmer can pay his mortgage and support himself and his family in decency and honor in this twentieth century. [Applause.]

At times we may be inclined to subordinate the rights of people to secure peace, happiness, and prosperity to the rights of property. I am for protecting all property rights. I do not want to wreck the internal economy of our country. But I recognize also the right of citizens. The present economic desperation which this bill attempts to correct is due, no doubt very largely, to our neglect in acknowledging the right of a man to some return for the long hours he toils in attempting to grow and market foodstuffs for our people.

We are attempting to give some consideration to the right of the farmer to secure a greater degree of happiness and prosperity. [Applause.]

[Here the gavel fell.]

Mr. BIERMANN and Mr. COFFEE of Nebraska rose.

The CHAIRMAN. The Chair would like to inquire of the gentleman from Iowa if he thought he was included in the unanimous consent that was given to close debate?

Mr. BIERMANN. That was my impression.

Mr. JONES. I had intended to include the gentleman from Iowa, Mr. Chairman.

The CHAIRMAN. There are but 5 minutes remaining on this amendment. The Chair wonders if it would be agreeable to recognize each gentleman for 2½ minutes.

Mr. JONES. Mr. Chairman, I ask unanimous consent that the gentleman from Nebraska [Mr. COFFEE] may proceed for 2 minutes, not to be taken out of the time already fixed.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Nebraska [Mr. COFFEE] is recognized for 2 minutes.

Mr. COFFEE of Nebraska. Mr. Chairman, I rise in support of the amendment offered by the chairman of our committee.



If loans are to be provided for corn farmers, I think it is advisable to adopt this amendment; otherwise you may put such restrictions on these loan provisions that it will be impossible to have any loans at all.

I also want to call the attention of the Members to the very fallacious reasoning which was presented a few minutes ago in connection with the price of cattle. The gentleman from Missouri [Mr. CANNON], I believe, stated that the price of cattle and hogs was determined by the price of corn. It is just as logical to assume that the price of eggs is determined by the price of wheat because chickens eat wheat. Consumer purchasing power, demand and supply, are the determining factors, not the price of corn.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. Not now; I have only 2 minutes.

Mr. Chairman, I represent a district largely devoted to cattle, hogs, and corn. I am in the cattle business myself. I fear that if you make an artificially high loan on corn it would wreck the western range cattle producers, as well as the Corn Belt feeders. Corn producers would eventually suffer if substitutes for corn were used.

If you want to be of assistance to the corn producers, let these loans be made on a reasonable basis, not so high as to encourage the production of corn for sale to the Government or to affect adversely the livestock industry but high enough to stabilize prices that might otherwise be demoralized through excessive sales. [Applause.]

The CHAIRMAN. The gentleman from Iowa [Mr. BIERMANN] is recognized for 5 minutes.

Mr. BIERMANN. Mr. Chairman, the effect of the gentleman's amendment will be to eliminate all of the loan section except that part which makes the loans absolutely optional with the Commodity Credit Corporation with the approval of the Secretary of Agriculture and the President. The only part eliminated that really amounts to anything is the so-called Lucas amendment providing for mandatory loans on corn.

It may look as if we Members from the corn section, in asking for mandatory loans on corn, are asking for something that we should not have, but I submit to this body that nearly every one of the farm commodities, large in production, has been treated in a special way on account of the special circumstances that surround it. We had a special bill for sugar. Again and again we have given special treatment to cotton. In this very bill we give special treatment to tobacco. Now, without hurting the United States Treasury, without hurting any other farm commodity, I propose we give a little special treatment to field corn through mandatory loans at safe, business-like figures. We can do it for the reason that corn is not exported, it is consumed in this country. Less than 5 percent of the production of corn normally is exported; so a loan on it would be sound. A loan on corn is different than a loan on a farm commodity with a large exportable surplus.

If the amendment of the chairman is adopted, the corn-growing sections of this country will be in exactly the same position as far as loans are concerned that they were in this summer when the farmers in Iowa and these other corn States saw the price of corn locally go down from \$1.35 a bushel to 35 cents a bushel. All that time the Commodity Credit Corporation had exactly the same power they will have if the chairman's amendment is adopted, but they did not give us any loans until after some of the poor farmers had been forced to get rid of their corn. Then they did give us 50-cent loans. That is a condition that we want to cure. We want to compel the Commodity Credit Corporation to make loans. The Commodity Credit Corporation made loans in 1933, 1934, 1935, and 1936. I telephoned them this morning and they informed me that they had not lost a single penny on those loans; they got all the money back plus interest at 4 percent. [Applause.]

The CHAIRMAN. The time of the gentleman from Iowa has expired; all time on this amendment has expired.

The question is on the amendment offered by the gentleman from Texas.

Mr. JONES. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. JONES and Mr. LUCAS.

The Committee divided; and the tellers reported that there were—ayes 109, noes 83.

So the amendment was agreed to.

Mr. BIERMANN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BIERMANN: Page 14, line 14, insert the following: "The Commodity Credit Corporation shall make loans on field corn wherever produced in the United States at the rate of 55 cents a bushel if the corn supply of field corn is not more than 10 percent of the estimated domestic needs and foreign exports in the marketing year in which the loans are to be made. If the total supply is more than 10 percent in excess of the estimated domestic needs and foreign exports, the loans shall be made at 45 cents per bushel."

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, until I examine the amendment which the gentleman has just offered a little further I reserve a point of order against it.

The CHAIRMAN. The gentleman from Iowa [Mr. BIERMANN] is recognized for 5 minutes.

Mr. BIERMANN. Mr. Chairman, I imagine that some of the Members voted against the Lucas amendment and later for the chairman's amendment to strike out because they thought that the proposed loans on corn were unreasonably high. The amendment I have offered fixes those loans at 55 cents a bushel when the supply of corn is not more than 10 percent above the domestic consumption and foreign exports, which would be 2,618,000,000 bushels. This year we have more than 2,700,000,000 bushels, and, under the present bill, the quota does not go into effect until we get to 2,900,000,000 bushels. My amendment further provides that when the supply is in excess of 10 percent above the domestic consumption, plus the foreign exports, the loan will go down to 45 cents per bushel. In other words, the amendment merely provides that the corn-growing farmers of the United States, whether they are inside the commercial area or outside the commercial area, will always be able to go to the Commodity Credit Corporation and be assured they may get some loans. If the crop is small, they get a loan of 55 cents. If the crop is large, they get a loan of only 45 cents. I would like to know what is unbusinesslike about that.

I call attention to the fact that in the past 4 years those are the figures the Commodity Credit Corporation has used in making loans. For 2 years they lent on the basis of 45 cents a bushel. For the other 2 years they lent on the basis of 55 cents a bushel. In the 4 years they lent a total of \$145,000,000, and the Government did not lose a single penny.

Mr. PIERCE. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Oregon.

Mr. PIERCE. Are they mandatory?

Mr. BIERMANN. They are mandatory. I do not want the farmers of Iowa to have another year like 1937, when the little fellow sold his corn and a couple months after he got rid of his corn the Commodity Credit Corporation proclaimed that "on December 1 we will lend you 50 cents a bushel." I want the farmers to know in advance that they may get either 55 cents or 45 cents a bushel, depending upon the yield. If the crop is small they get 55 cents. If the crop is large they get 45 cents. Is there a single Member who believes the Government will lose a single penny by such a transaction?

Mr. PIERCE. That means pegged prices.

Mr. BIERMANN. No; it does not.

Mr. PIERCE. The Government will have to buy at those figures.

Mr. DOWELL. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Iowa.



Mr. DOWELL. Is it not true that the loans on corn have never cost the Government anything?

Mr. BIERMANN. Not a single penny. The Government has made money on these loans at the figures I specified here—45 cents if there is a big crop and 55 cents if there is a small crop.

Mr. DOWELL. I would like it better if it was 50 cents in the lower bracket.

Mr. BIERMANN. I would just as soon put it at that figure. I want the farmers to be in the position of being able to borrow something and I want to be sure that the Commodity Credit Corporation will lend them the money. I do not want the farmers to go through another season like this past year, in which the Commodity Credit Corporation made no loans until the little fellow was busted, and then the Commodity Credit Corporation stated it would make loans on December 1.

Mr. DOWELL. I suggest the gentleman amend his amendment and make it 50 cents instead of 45 cents in the lower bracket.

Mr. REILLY. The criticism has been that they do not lend early enough?

Mr. BIERMANN. They do not lend at all unless it suits their fancy to do so.

Mr. REILLY. They have heretofore.

Mr. BIERMANN. Oh, no; not until 60 days ago did they proclaim they would start making loans at 50 cents a bushel on December 1.

Mr. ANDRESEN of Minnesota. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. The formula set forth in the gentleman's amendment is on a par with the previous provisions covering loans on corn?

Mr. BIERMANN. Yes.

Mr. MASON. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Illinois.

Mr. MASON. In other words, the loans up to now were not made until the damage had already been done?

Mr. BIERMANN. Yes. That was the case this year. I want the law changed so that the farmers will be entitled to the loans. This cannot hurt the Treasury one single dollar.

Mr. MASON. Will the gentleman agree with the statement that the loan provision, unless it is made mandatory, is no good?

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from Texas withdraw his reservation of a point of order?

Mr. JONES. Yes. Mr. Chairman, I withdraw the reservation of a point of order.

Mr. Chairman, I rise in opposition to the amendment.

I do not have any objection to the schedules set out here. They are practically the same schedules, or perhaps a little lower than they were before in the bill. However, this amendment again opens up the whole field of mandatory loans. Two or three Members have given notice that if mandatory loans are provided for on one commodity they want to make the loans mandatory on other commodities. The loan was made a little late this year, but this is because a temporary organization was handling the matter. There was no direct authorization except an organization which was originally provided by Executive order from relief funds, and its authority for handling the problem was temporary. I think the situation could be taken care of just as well without making the loans mandatory. Why decide in advance? It may be that when the time comes the loan should be made at a different figure, and they might want it at a different figure.

Mr. BIERMANN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Iowa.

Mr. BIERMANN. Can the chairman anticipate any possible harm which may come from making the loans mandatory at these low figures?

Mr. JONES. I do not see anything wrong with the schedule, I may say to the gentleman, but a great many different

commodities may be stored, not only these named in the bill but other commodities as well. I have already received notice from two or three Members that if this provision is made mandatory they will ask that loans on their commodities be made mandatory. I believe the gentleman will get all he is asking and possibly more without making it mandatory. I wish the gentleman would not insist on his amendment.

Mr. BIERMANN. The gentleman concedes there is a vast difference between making a loan on corn which is consumed in the United States and making a loan on cotton or wheat, which must depend on foreign exports?

Mr. JONES. I agree with that statement, but I believe the Commodity Credit Corporation, the Secretary, and the President, when we get the permanent farm program in operation, will recognize this fact and make the terms to suit.

Mr. BIERMANN. I want to protect the corn area from the sort of catastrophe it had this year, when the Commodity Credit Corporation had the same authority the gentleman would give them now. They let a lot of farmers go broke and then said, "We will let you have a loan on December 1."

Mr. JONES. The only trouble is that you cannot have mandatory loan features and set out the schedules through all the different commodities. I believe when we finally work out the provision the gentleman will have no complaint as to the way the matter will be handled. I hope the gentleman will not insist on opening up this field again, as it will be the cause of others coming in with the same sort of provision.

Mr. BIERMANN. May I remind the gentleman that the field was closed until the gentleman opened it up a little while ago.

Mr. JONES. Others might not be as reasonable as is the gentleman.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Illinois.

Mr. LUCAS. Will the distinguished chairman of the Committee on Agriculture agree that we should have loans if we who seek them on corn and sustain a loss are willing to assume that loss by having the Secretary of Agriculture the following year charge the same against the fund which is allocated to corn?

Mr. JONES. This opens up a new question which I would not want to answer in advance, of course. It is a matter which ought to be passed on. Of course, if you are going to take the soil-conservation payments away from an entire section it might not leave a very happy situation. At least, I should like to think about this question somewhat and consider it at a later time, in conference or elsewhere. Of course, if the corn growers all wanted to take any losses from their soil-conservation payments, that might be a thing to consider, but the question comes too suddenly for me to make any statement on it.

At this time I would rather not have the loans mandatory. I would rather not have any of them mandatory. Let us have a little more freedom here and not have the representatives of other commodities trying all afternoon to come in with mandatory loans at varying figures.

Mr. LUCAS. I may say to the gentleman that in my humble opinion, unless we have some sort of legislation somewhere along the line which is either going to make these quotas effective or make a mandatory loan possible, I am afraid the bill is worse than useless.

Mr. JONES. I do not agree with the gentleman at all. This leaves complete leeway. The whole program can be worked out just as well without tying the hands of the lending agency.

[Here the gavel fell.]

The CHAIRMAN (Mr. COOPER). The question is on the amendment offered by the gentleman from Iowa [Mr. BIERMANN.]

The question was taken; and on a division (demanded by Mr. BIERMANN) there were—ayes 37, noes 62.

So the amendment was rejected.

Mr. LUCAS. Mr. Chairman, I offer an amendment.



The Clerk read as follows:

Amendment offered by Mr. LUCAS: On page 14, after the word "President", insert the following:

"The Corporation shall make loans during any marketing year on field corn produced on farms, whether or not in the commercial corn-producing area, as defined in section 321F, on which the acreage planted was not in excess of the farm acreage allotment, and said loans shall be made on the following percentages of parity price for field corn as of the beginning of such marketing year:

"Eighty percent if the November production estimate for the current crop of field corn does not exceed a normal year's domestic consumption and exports;

"Seventy percent if such estimate exceeds a normal year's domestic consumption and exports by not more than 5 percent;

"Sixty percent if such estimate exceeds a normal year's domestic consumption and exports by not less than 5 percent and not more than 10 percent;

"Fifty-five percent if such estimate exceeds a normal year's domestic consumption and exports by more than 10 percent.

"Provided, however, That any losses sustained hereunder shall be charged to and become a lien upon the amount allocated to said commodity during the following calendar year by the Secretary of Agriculture under this act."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

Mr. LUCAS. Mr. Chairman, I ask unanimous consent that I may be allowed 5 minutes to discuss this amendment.

Mr. JONES. Mr. Chairman, if discussion is going to be in order I want to reserve a point of order against the amendment, as I have not had a chance to see it. I understand the gentleman from Illinois is willing to take 3 minutes for himself and leave 2 minutes to me or some other member of the committee.

Mr. LUCAS. That is agreeable, Mr. Chairman, and I so modify my request.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LUCAS. Mr. Chairman, this amendment is practically the same as an amendment heretofore submitted to the Committee with one exception. There are a large number of Members of Congress who feel that my amendment on mandatory loans is an economic fallacy. However, on behalf of the corn group of Illinois, Indiana, Iowa, and the other corn-producing States, may I say we feel so keenly about this amendment that we are willing to underwrite this so-called economic fallacy. In other words, under this amendment if we sustain a loss, such loss will be charged to and become a lien upon the allotment of funds to that particular basic commodity by the Secretary of Agriculture the following year. Therefore, there is not a single chance, under this amendment, for anyone to lose anything, other than the corn producer himself. Assuming that beneficial payments go to the corn producers in the sum of \$100,000,000, assuming further that the corn men had a loss of \$10,000,000 on loans the year before, \$90,000,000 would be distributed among the corn producers of my section instead of \$100,000,000.

This is what we who are in the Corn Belt section of this Nation think about mandatory loans so far as stabilizing the price of corn is concerned, and without this kind of amendment, Mr. Chairman, you have not a single thing in this bill looking toward a stabilization of a decent corn price for the farmers of this country, and I hope you will act favorably upon the amendment.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, this would make the loan mandatory and at the same time make any losses payable out of the next year's soil-conservation payments to the corn producers. I do not think even the corn producers would want such a provision. There would be some of them, for example, holding just a small amount—

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. GILCHRIST. Is it not true that if this amendment is passed it will then penalize the honest man who does pay his debts to the Corporation, because the next year it will be taken out of his hide on account of the fact his neighbor who is dishonest did not pay his debt to the Credit Corporation?

Mr. JONES. It seems to me that argument would enter into it. Any losses would be payable out of the fund for soil conservation, and that is mixing the two pretty badly, and I think any proposition of that sort ought to be given very careful consideration, and I doubt that the corn men themselves would want it.

Mr. ANDRESEN of Minnesota. Following the chairman's statement, all the corn farmers will be charged with any losses irrespective of whether any loans were made to them or not.

Mr. JONES. That is correct.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. LUCAS. I will say to the distinguished chairman that we will go along with wheat, cotton, corn, and every other basic commodity upon that basis, and if a loss is sustained it will be charged to the particular fund the following year.

Mr. JONES. I would not want to commit myself on that.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. GILCHRIST. What is the equity in putting a charge on all the farmers who raise corn by making them pay for the defaults of the dishonest farmer who does not pay his debts?

Mr. LUCAS. What I am trying to tell the gentleman from Iowa and other Members of this House is that the stabilization program is what we need and the sacrifice of one farmer in this connection is infinitesimal in comparison with the benefits of a national stabilization program.

Mr. GILCHRIST. And I am trying to show the inequity of making one man pay for another man's default.

Mr. JONES. Mr. Chairman, I withdraw the reservation of a point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. Lucas].

The question was taken and on a division (demanded by Mr. LUCAS), there were—ayes 38, noes 64.

So the amendment was rejected.

Mr. BOILEAU. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. Mr. Chairman, I make this parliamentary inquiry for the purpose of clarifying the situation which will arise when we get back into the House in the matter of a separate vote on various amendments. The gentleman from Illinois [Mr. Lucas] earlier this afternoon, proposed an amendment to this section 201, which was agreed to. The amendment changed the language with reference to making loans on corn. That amendment was approved by the Committee. Later on the gentleman from Texas [Mr. Jones] offered an amendment. Whether or not it would have been held in order had a point of order been made against it I do not know. His amendment struck out all of the language beginning on line 14, page 14, and moved to strike out all of the language put into the bill by the amendment of the gentleman from Illinois [Mr. Lucas]. When we get back into the House and a separate vote is asked on the Jones amendment, assuming that the Jones amendment fails on a separate vote, does that then restore the bill before the House in its original form, or in the form as amended by the gentleman from Illinois [Mr. Lucas]? That is a matter I am sure many members would like to have clarified so that we will know what procedure to take in voting for or against the Jones amendment.

The CHAIRMAN (Mr. COOPER). In the first place, the question presented by the gentleman from Wisconsin is a question for the Speaker and not for the Chairman of the Committee of the Whole House on the state of the Union. However, the Chair states that in his opinion the question presented to the House for consideration would be a separate vote upon the amendment offered by the gentleman from Texas [Mr. Jones] and adopted in the Committee of the Whole, which struck out the amendment offered by the gentleman from Illinois [Mr. Lucas], previously adopted,



together with other language of the section. In the event the House should vote down the Jones amendment, then the original section 201 of the bill would be before the House for consideration.

Mr. BOILEAU. As amended by the Lucas amendment or not?

The CHAIRMAN. No; without that.

Mr. JONES. Mr. Chairman, I ask now that we take up the corn part of title III, and that it be read by title only, to be inserted in the RECORD, with the privilege of amendment at any point in that part.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the title.

The matter referred to is as follows:

PART II—MARKETING QUOTAS—FIELD CORN  
LEGISLATIVE FINDING

SEC. 320. Field corn is a basic source of food for the Nation, and field corn produced in the commercial corn-producing area moves almost wholly in interstate and foreign commerce in the form of corn, livestock, and livestock products.

Abnormally excessive and abnormally deficient supplies of field corn acutely and directly affect, burden, and obstruct interstate and foreign commerce in corn, livestock, and livestock products. When abnormally excessive supplies exist, transportation facilities in interstate and foreign commerce are overtaxed, and the handling and processing facilities through which the flow of interstate and foreign commerce in corn, livestock, and livestock products is directed become acutely congested. Abnormally deficient supplies result in substantial decreases in livestock production and in an inadequate flow of livestock and livestock products in interstate and foreign commerce, with the consequence of unreasonably high prices to consumers.

Violent fluctuations from year to year in the available supply of field corn disrupt the balance between the supply of livestock and livestock products moving in interstate and foreign commerce and the supply of field corn available for feeding. When available supplies of corn are excessive, corn prices are low and farmers overexpand livestock production in order to find outlet for corn. Such expansion, together with the relative scarcity and high price of corn, forces farmers to market abnormally excessive supplies of livestock in interstate commerce at sacrifice prices, endangering the financial stability of producers, and overtaxing handling and processing facilities through which the flow of interstate and foreign commerce in livestock and livestock products is directed. Such excessive marketings deplete livestock on farms, and livestock marketed in interstate and foreign commerce consequently becomes abnormally low, with resultant high prices to consumers and danger to the financial stability of persons engaged in transporting, handling, and processing livestock in interstate and foreign commerce. These high prices in turn result in another overexpansion of livestock production.

Recurring violent fluctuations in the price of field corn resulting from corresponding violent fluctuations in the supply of field corn directly affect the movement of live livestock in interstate commerce from the range cattle regions to the regions where livestock is fattened for market in interstate and foreign commerce, and also directly affect the movement in interstate commerce of field corn marketed as field corn which is transported from the regions where produced to the regions where livestock is fattened for market in interstate and foreign commerce.

Substantially all the field corn moving in interstate commerce, substantially all the field corn fed to livestock transported in interstate commerce for fattening, and substantially all the field corn fed to livestock marketed in interstate and foreign commerce, is produced in the commercial corn-producing area. Substantially all the field corn produced in the commercial corn-producing area, with the exception of a comparatively small amount used for farm consumption, is either sold or transported in interstate commerce, or is fed to livestock transported in interstate commerce for feeding, or is fed to livestock marketed in interstate and foreign commerce. Almost all the field corn produced outside the commercial corn-producing area is either consumed, or is fed to livestock which is consumed, in the State in which such field corn is produced.

The national public interest requires that the burdens on interstate and foreign commerce above described be removed by the exercise of Federal power. By reason of the administrative and physical impracticability of regulating the movement of livestock and livestock products in interstate and foreign commerce and the inadequacy of any such regulation to remove such burdens, such power can be feasibly exercised only by providing for the withholding from market of excessive and burdensome supplies of field corn in times of excessive production, and providing a reserve supply of field corn available for market in times of deficient production, in order that a stable and continuous flow of livestock and livestock products in interstate and foreign commerce may at all times be assured and maintained.

DEFINITIONS

SEC. 321. For the purposes of this part—

(a) "Marketing year" shall be the period from October 1 of one year to September 30 of the succeeding year.

(b) "Total supply" for any marketing year shall be the carry-over of field corn for such marketing year plus the estimated production of field corn in the United States during the calendar year in which such marketing year begins.

(c) "Carry-over" for any marketing year shall be the quantity of field corn on hand in the United States at the beginning of such marketing year which was produced in the United States prior to the beginning of the calendar year then current.

(d) "Normal supply" shall be a normal year's domestic consumption and exports of field corn plus 7 percent of a normal year's domestic consumption and exports as an allowance for a normal carry-over.

(e) "Reserve supply level" shall be a normal year's domestic consumption and exports of field corn plus 15 percent of a normal year's domestic consumption and exports, to insure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty.

(f) (1) "Commercial corn-producing area" shall include all counties in which the average production of field corn during the 10 calendar years immediately preceding the calendar year in which such area is determined, after adjustment for abnormal weather conditions, is 400 bushels or more per farm and 4 bushels or more for each acre of farm land in the county.

(2) Whenever the Secretary has reason to believe that any county which is not included in the commercial corn-producing area determined pursuant to the provisions of paragraph (1), but which borders upon one of the counties in such area, is producing an average of at least 400 bushels of field corn per farm and an average of at least 4 bushels for each acre of farm land in the county, he shall cause immediate investigation to be made to determine such fact. If, upon the basis of such investigation, the Secretary finds that such county is likely to produce field corn in such average amounts during the succeeding marketing year, he shall announce such determination. Commencing with the first marketing year following such determination, such county shall be included in the commercial corn-producing area. Whenever the Secretary has reason to believe that any county included in the commercial corn-producing area pursuant to paragraph (1) or (2) of this subsection is not producing an average of at least 400 bushels of field corn per farm and an average of at least 4 bushels of field corn for each acre of farm land in such county, he shall cause an immediate investigation to be made to determine such fact. If, upon the basis of such investigation, the Secretary finds that the production of field corn in such county is likely to be at less than such rates during the current and next succeeding marketing years, he shall announce such determination. Commencing with the first marketing year following such determination, such county shall be excluded from the commercial corn-producing area.

(g) "Normal year's domestic consumption" shall be the yearly average quantity of field corn, wherever produced, that was consumed in the United States during the 10 marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

(h) "Normal year's exports" shall be the yearly average quantity of field corn that was produced in the United States and exported therefrom during the 10 marketing years immediately preceding the marketing year in which such exports are determined, adjusted for current trends for such exports.

(i) "Marketed" shall be the disposition by sale, barter, exchange, or gift, or by feeding (in any form) to poultry or livestock which, or the products of which, are sold, bartered, exchanged, or given away, or to be so disposed of. The term "for market" means for disposition in any such manner.

(j) "Normal yield" for any farm shall be the average yield per acre of field corn for the farm during the 10 calendar years immediately preceding the year in which such normal yield is used in computing any farm marketing quota or adjustment thereof, adjusted for abnormal weather conditions and trends in yields. If for any such year the data are not available, or if for any reason there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, shall be used as the actual yield for such year. If on account of drought, flood, insect pests, or other uncontrollable natural cause the production in any year of such 10-year period is less than 75 percent of the average (computed without regard to such year), such year shall be eliminated in calculating the normal yield per acre.

(k) "Normal production" as applied to any number of acres of field corn means the normal yield for the farm times such number of acres.

(m) The term "farm acreage allotment" means the acreage allotment made to a farm pursuant to section 328.

FARM MARKETING QUOTAS

SEC. 322. (a) Whenever in any calendar year the Secretary determines from available statistics of the Department, including the August production estimate officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of field corn



as of October 1 will exceed the normal supply thereof by more than 15 percent, marketing quotas shall be in effect in the commercial corn-producing area for the crop of corn grown in such areas in such calendar year.

(b) The Secretary shall determine, on the basis of the estimated average yield of field corn in such area for such crop, the acreage in such area which would provide that amount of field corn which the Secretary determines would make available for the marketing year beginning October 1 a supply (together with the estimated production of field corn in the United States outside such area) equal to the normal supply. The percentage which the number of acres so determined is of the total number of acres of the acreage allotment under section 327 shall be announced by the Secretary. Such percentage is referred to herein as the "marketing percentage." The difference between 100 percent and the marketing percentage is referred to herein as the "storage percentage." The number of acres devoted to field corn on each farm in the commercial corn-producing area which is in excess of a number equal to the marketing percentage of the farm acreage allotment of such farm is referred to herein as "surplus acres."

(c) The Secretary shall announce his determinations of facts under subsection (a) and his determination of the marketing percentage under subsection (b) not later than August 15.

(d) Within 20 days after the date of the issuance of the announcement as provided in subsection (c) of this section, the Secretary shall conduct a referendum of all farmers who would be subject to such quotas to determine whether such farmers are in favor of or opposed to such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas, the Secretary shall, prior to September 10, announce the result of the referendum and such quotas shall not become effective.

(e) Whenever it shall appear from the September production estimates officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of field corn as of the beginning of the next succeeding marketing year will be less than the normal supply plus 15 percent thereof, the Secretary shall announce such fact prior to September 20, if farm marketing quotas have been announced with respect to the crop grown in such calendar year. Thereupon such quotas shall not become effective.

#### AMOUNT OF FARM MARKETING QUOTA

SEC. 323. (a) The farm marketing quota for any farm shall be the actual production of field corn on the farm less the storage amount applicable to the farm, as ascertained under section 324.

(b) No farm marketing quota with respect to any crop of field corn shall be applicable to any farm on which the normal production on the acreage planted to field corn is less than 400 bushels.

(c) No farm marketing quota with respect to any crop of field corn shall be applicable to any farm in the storage amount applicable to the farm, as ascertained under section 324, is less than 100 bushels.

(d) No farm marketing quota with respect to any crop of field corn shall be applicable to any farm if the acreage planted to field corn on the farm does not exceed the marketing percentage of the farm acreage allotment.

#### STORAGE AMOUNTS

SEC. 324. (a) No corn used for silage: If the acreage planted to field corn on the farm exceeds the marketing percentage of the farm acreage allotment, the storage amount shall be the normal production of the surplus acres.

(b) Rule if corn used for silage: If the acreage used for silage is not in excess of the farm acreage allotment, the storage amount shall be the normal production of the acreage, if any, in excess of the acreage allotment, plus the normal production of the storage percentage of that part of the acreage allotment which is not used for silage. If the acreage used for silage is more than the farm acreage allotment, the storage amount shall be the normal production of the acreage not used for silage. The storage amount for a farm on which corn is used for silage shall in no case exceed the storage amount which would be applicable if none of the corn were used for silage.

(c) Limitation on storage amount: In no case shall the storage amount exceed the difference between the estimated total production of field corn on the farm and the normal production of the marketing percentage of the farm acreage allotment.

#### PENALTIES

SEC. 325. (a) Any farmer who, while any marketing quota is in effect with respect to any crop of field corn, markets any field corn from such crop in excess of his farm marketing quota shall be subject to a penalty for the excess so marketed at the rate of 15 cents per bushel.

(b) A farmer shall be presumed to have complied with his farm marketing quota with respect to any crop as long as there is stored under seal on his farm an amount of field corn equal to the storage amount applicable to his crop, as ascertained under section 324. If there is not stored under seal on the farm an amount of field corn equal to such storage amount, the farmer shall be presumed to have marketed field corn in excess of his farm marketing quota to the extent that the amount of field corn stored on the farm is less than such storage amount. In any action brought to enforce the collection of penalties provided for in this section, the farmer shall have the burden of proving that he did not market field corn in excess of his farm marketing quota.

(d) The penalties provided for in subsection (a) of this section shall be collected and paid in such manner, at such time, and

under such conditions as the Secretary may by regulations prescribe. Such penalties shall be collected under the direction of the Secretary, and shall be covered into the general fund of the Treasury of the United States.

#### ADJUSTMENT OF FARM MARKETING QUOTAS

SEC. 326. (a) If at any time the Secretary has reason to believe that the farm marketing quotas in effect are preventing a supply of field corn equal to the normal supply from being available during the current marketing year, he shall cause an investigation to be made with respect thereto. In the course of such investigation due notice and opportunity for hearing shall be given to interested persons. If upon the basis of such investigation the Secretary finds the existence of such fact, he shall announce the same forthwith. He shall also in such announcement specify such increase in, or termination of, existing quotas as he finds, on the basis of such investigation, is necessary to make available during such marketing year a supply of field corn (together with the field corn available outside the commercial corn-producing area) equal to the normal supply. Whenever such announcement specifies an increase in the marketing quotas, the storage amount of field corn ascertained under section 324 shall be adjusted downward to the amount which would have been required to be so stored if such increased marketing quotas had been originally announced by the Secretary. Whenever such announcement provides for the termination of marketing quotas, storage under seal with respect to such quotas shall no longer be required.

(b) Whenever in any county or other area the actual production of field corn plus the amount of corn stored under seal in such county or other area is less than (1) the normal yield times the acreage allotment, if there are no marketing quotas with respect to such production, or (2) the normal yield times the percentage of the acreage allotment specified in the Secretary's quota announcement, if there are farm marketing quotas with respect to such production, storage under seal in such county or other area with respect to such quotas may no longer be required.

(c) Whenever, upon any farm, the actual production of field corn is less than (1) the normal yield times the acreage allotment, if there are no farm marketing quotas with respect to such production, or (2) the normal yield times the percentage of the acreage allotment specified in the Secretary's quota announcement, if there are farm marketing quotas with respect to such production, there may be marketed from such farm an amount of field corn from the field corn stored under seal pursuant to section 324 which, together with the actual production of the then current crop, will equal (3) the normal yield times the acreage allotment, if there are not farm marketing quotas in effect with respect to such current crop, or (4) the normal yield times the percentage of the acreage allotment specified in the Secretary's quota announcement if there are farm marketing quotas in effect with respect to such current crop.

#### ANNOUNCEMENTS OF SUPPLIES AND COMMERCIAL CORN-PRODUCING AREA

SEC. 326. Not later than September 1, the Secretary shall ascertain and announce the total supply, the normal supply, and the reserve supply level for such marketing year. Not later than February 1, the Secretary shall ascertain and announce the commercial corn-producing area.

#### ACREAGE ALLOTMENT

SEC. 327. The acreage allotment of field corn for any calendar year shall be that acreage in the commercial corn-producing area which, on the basis of the average yield for field corn in such area during the 10 calendar years immediately preceding such calendar year will produce an amount of such field corn which the Secretary determines will, together with field corn produced in the United States outside the commercial corn-producing area, make available a supply for the marketing year beginning in such calendar year, equal to the reserve supply level. The Secretary shall announce such acreage allotment not later than February 1 of the calendar year for which such acreage allotment was determined.

#### APPORTIONMENT OF ACREAGE ALLOTMENT

SEC. 328. (a) The acreage allotment for field corn shall be apportioned by the Secretary among the counties in the commercial corn-producing area on the basis of the acreage devoted to the production of such field corn during the 10 calendar years immediately preceding the calendar year in which the apportionment is made (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period.

(b) The county acreage allotment for field corn shall be apportioned by the Secretary, through the local committee, among the farms within the county on the basis of tillable acreage, crop-rotation practices, type of soil, topography, and production facilities. Notwithstanding any other provision of this section, if, for any reason other than flood or drought, the acreage of field corn planted on the farm is less than 80 percent of the farm acreage allotment for field corn, the farm acreage allotment shall be 25 percent in excess of such planted acreage.

#### PUBLICATION AND REVIEW OF QUOTAS

SEC. 329. The farm marketing quotas established for field corn for farms in a county or other local administrative area shall be made available for public inspection, and may be reviewed, in the manner provided in part VI of this title.



Mr. REILLY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. REILLY: Page 32, line 13, after the word "corn", insert "except field corn used for silage purposes".

Mr. REILLY. Mr. Chairman, I do not know whether the amendment I have prepared and sent to the Clerk's desk will accomplish the purpose I have in view or not. I am interested in the silage part of this bill. Eighteen counties in Wisconsin come under the commercial corn production of this bill, three of them being in my district. My own opinion is that corn acreage converted into silage and used largely for milk-production purposes should not have been included in this bill. However, I find that the word silage is used in so many places in the bill and is so interwoven with the terms of the bill that it is a difficult problem to tell just how to amend the bill to accomplish the purpose I have in view. The larger part of the field corn produced in Wisconsin and in my district is converted into silage and is used in the production of milk.

I cannot see that corn used in the making of silage has or can have any effect upon the price of corn sold in the channels of trade, and for that reason I do not think that silage corn should have been included in this bill. Silage is not sold but is consumed on the farm. If the farmers should be cut in the use of silage, they will not use corn, but they will use other substitute feeds that are more valuable as milk producers. Under the terms of this bill a farmer may produce as much silage as he can use. That is, he can exceed his corn-acreage quota in the production of silage, but he cannot use any other corn grown on his farm for other than silage purposes.

That is, it would appear that a farmer who had exhausted his corn-acreage quota into the production of silage cannot raise and use on his farm corn to feed his chickens or any pork that he might want to raise for home consumption.

The great majority of farmers in the State of Wisconsin who grow corn for silage purposes seldom, if ever, grow corn to sell. They are not in the commercial corn business and it would seem that the silage phase of the corn question ought to be considered in determining corn quotas for farmers who grow corn largely to be used as silage.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. REILLY. Yes.

Mr. ANDRESEN of Minnesota. The purpose of the gentleman's amendment is to exclude silage from the provisions of the bill?

Mr. REILLY. Yes.

Mr. ANDRESEN of Minnesota. So that the storage quota and the marketing quota in this bill will refer only to matured field corn?

Mr. REILLY. Yes. Matured field corn. To begin with, there are thousands of acres of silage corn that is cut before it is matured. In fact the farmers grow a special brand of corn to be used for silage purposes.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. REILLY. Yes.

Mr. REES of Kansas. The gentleman realizes that this silage is really green unmaturing corn and does not compete with the feed that goes into the channels of trade, and further there is only about 5 percent of corn that really goes into the silo and it is green and not matured.

Mr. REILLY. I think the gentleman is correct. Silage corn does not in any way compete with commercial corn.

Mr. LUCAS. Will the gentleman yield?

Mr. REILLY. Yes.

Mr. LUCAS. I appreciate what the gentleman is attempting to do, and I will state that it will be taken care of in a later section in connection with silage. I think the gentleman's amendment will not accomplish what he wants done because the gentleman is speaking solely about commercial corn-producing areas. If I understand, the gentleman's district is outside the corn-producing area.

Mr. REILLY. No. Three counties of my district are within the corn-producing area. The bill does not affect the amount of silage that my farmers can use, but it does affect them if they exhaust their quota with silage corn, then they cannot use corn in any other way on the farm.

Mr. LUCAS. There is a 100-bushel exemption.

Mr. REILLY. Yes; but that would not be a sufficient exemption.

Mr. LUCAS. I will say that we are going to take care of the gentleman's proposition later.

Mr. REILLY. I am pleased to hear the gentleman make that statement.

Mr. KNUTSON. Will the gentleman yield?

Mr. REILLY. I yield.

Mr. KNUTSON. When corn is placed in the silo it has no more effect on the price of corn than on hay.

Mr. REILLY. Only as hay might be used to fatten cattle.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. MARTIN of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to say a word for the reassurance of those Members who may fear that if this legislation is passed the Corn and Wheat Belts will go back to a state of nature and become a howling waste.

Many fine things have been said in this debate about the gentleman from Texas [Mr. JONES], chairman of the Committee on Agriculture. I want to approve of every word that has been said of him; but I want to say something about two other members of the Committee on Agriculture, two minority members, the gentleman from Kansas [Mr. HOPE] and the gentleman from Iowa [Mr. GILCHRIST]. The gentleman from Kansas [Mr. HOPE] represents the greatest wheat-growing district in the United States. I need not tell you that the gentleman from Iowa [Mr. GILCHRIST] comes from the State where the tall corn grows. The fact that those two gentlemen are supporting this legislation, in the main, I am frank to admit, has a very persuasive influence with me. I know that "they know their onions," meaning in this case corn and wheat. They are able and fair men. In addition to that, they have been members of the Committee on Agriculture for many years. They did not sign the minority report on this bill, and they are for this bill mainly as is, quotas and all. In case of doubt, I frankly concede that the attitude of those two gentlemen, on the minority side though they are, have as much influence with me on this legislation as the opinion of any two Members of this House.

Another thing, out of the fog and smoke of this debate—and it is the worst I have ever heard in my tenth year in Congress—one thing is clearly emerging in my mind, and I want to say it for the reassurance of those Members who might think that the corn and wheat farmers are being regimented and being driven out of business. That is this, that there is no practical crop control or crop reduction in corn and wheat in this bill. It is true, there is a theoretical reduction under the application of quotas, but I have some figures which go to show that those quotas are so high that they will not limit or restrict the production of corn or wheat.

Now, you may think I am going over on the left side of the aisle altogether when I tell you that I got these figures from the minority mathematician of the Committee on Agriculture, our genial friend from Minnesota [Mr. ANDRESEN]. Let us take wheat first. Before the quota can go on wheat, they are permitted to produce, plus the carry-over, from 1,027,000,000 to 1,100,000,000 bushels of wheat; but in 1937 the wheat price completely broke down on a total of 977,000,000 bushels. Our wheat market this year broke down on fifty to one hundred million bushels less than they will be permitted to raise in 1938, if the law goes into effect.

Now let us take corn. Before the quota can go on corn they are permitted, with the corn crop carry-over, to go to 2,900,000,000 bushels. The corn crop this year was only 2,700,000,000, yet the corn market broke down this year before the crop was even harvested.



The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. MARTIN of Colorado. Mr. Chairman, I ask permission to proceed for 5 additional minutes. This is my first and last talk on this bill under the 5-minute rule.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Even before the corn crop was harvested, corn began to tumble in price until now it has gone down from \$1.45 a bushel to about 40 or 45 cents a bushel. Wheat has gone down from \$1.15 or \$1.20 to around 80 cents. So we have had demonstrated this year, beyond any argument, and there is no ground to get up here and dispute it, we have had it proved that with a less volume of production of wheat and corn than will be permitted under the law, both the wheat and corn markets were so badly broken down that this special session of Congress was called into being mainly for the purpose of rescuing those commodities, along with cotton, from the slump they have experienced. You have voted off the wheat quota. I look to see it go back in; but even if it goes back in, there will be no practical crop control under this bill next year. or, in my opinion, in any other year, because the quotas are set so high that the volume of production permitted will break the market down before the quotas are reached.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. LUCAS. With the surplus in corn production between that consumed domestically and that exported set at approximately 600,000,000 bushels what will be the financial situation?

Mr. MARTIN of Colorado. I thank the gentleman for his contribution. The financial situation will be bankruptcy for corn, but I want to attempt to express one more thought and then I am through with the bill. I want to say something now that may not be liked by groups pushing this and that amendment. As this debate has progressed, and it is the most controversial debate I ever listened to in Congress, another thought has been shaping in my mind, and I make a special appeal to all doubt-minded Members of this House. When the Committee rises and we go back into the House and there are separate votes on these material amendments that have been adopted in the Committee of the Whole, if there is any doubt whatever in my mind as to whether I am for or against one of these amendments, I shall go along with the bill and the Committee on Agriculture; that is what I propose to do, and I urge all like-minded Members to do the same. If you are in doubt about what you ought to do, give the benefit of the doubt to the Committee on Agriculture, which has put in so much time under such able leadership working this bill out.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. ANDRESEN of Minnesota. The gentleman has pointed out the ineffectiveness of this legislation, and it will not do any good at all. What does the gentleman propose that we should do to aid the farmer on his 1937 and 1938 crops?

Mr. MARTIN of Colorado. One of the things that I would do in 1938 would be to lower the quotas and pay him benefits for compliance. I would certainly lower the quotas. I want to say again that I am a crop-control man. I believe that the agriculture of this country is going to be confronted with control and regulation, just as industry controls and regulates itself, or it is going to be confronted with anarchy and bankruptcy, just as it has been the last 15 years. I am for this legislation as far as it goes. I wish it went further in the way of crop control and compulsory crop control, because these 6,000,000 units scattered all over the country can never function as one unit; that has been demonstrated. They have got to have supervision and aid from the Government. There must be rewards and sanctions so far as that is concerned; and I admit it frankly.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. JOHNSON of Oklahoma. What about Colorado potatoes? Does the gentleman think there ought to be some control of potatoes?

Mr. MARTIN of Colorado. I will say to the gentleman that Colorado potatoes have recently gone under a national marketing agreement; and there is control in it, too. Under it the Department of Agriculture can grade potatoes out of interstate commerce. I wish that every farm commodity could come in under a national marketing agreement. I wish it could be voluntarily controlled. I wish the farmers could get together and do it for themselves. I know they cannot, and that it never will be done short of compulsory control, subject, of course, to the referendums carried in the bill.

In closing, Mr. Chairman, I say again that I am going along with the bill and with the committee when I am in doubt on any vote after the Committee rises and we get to voting on these amendments in the House, and I appeal to all Members in case of doubt to do likewise. [Applause.]

[Here the gavel fell.]

Mr. BIERMANN and Mr. FISH rose.

The CHAIRMAN. For what purpose does the gentleman from Iowa, a member of the committee, rise?

Mr. BIERMANN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Iowa is recognized.

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent that all debate on this particular amendment and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. WADSWORTH. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes.

Mr. BIERMANN. Mr. Chairman, the committee in considering the quotas on corn acreage gave every consideration possible to silage. I think if the gentleman from Wisconsin will look back further under the quota provisions he will see that we took very good care of silage. The committee had to establish a commercial corn-growing area, it had to have some kind of formula for it.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. REILLY. On page 38 of the bill, line 15, I read:

If the acreage used for silage is more than the farm acreage allotment, the storage amount shall be the normal production of the acreage not used for silage.

Mr. BIERMANN. That is the total of the corn planted, not used for silage, in this case.

Mr. REILLY. No. Under this provision if a farmer should have an allotment of 40 acres and he had 40 acres in silage he could have no more corn.

Mr. BIERMANN. That is right. He would have to store the production of the surplus acres.

Mr. REILLY. That ought to be remedied.

Mr. BIERMANN. Does the gentleman want to treat the man who raises corn for silage differently from the man who raises corn for other purposes?

Mr. REILLY. He ought to be treated differently but I do not expect to be able to overturn the whole philosophy of the bill. The committee had no business to put silage in the corn provision at all.

Mr. BIERMANN. Certainly silage competes with corn.

Mr. REILLY. Not at all. If the farmers do not have silage they would use middlings, bran, oil cake, oats, or barley, not corn.

Mr. BIERMANN. If this amendment is adopted it would throw the entire philosophy of a commercial corn-producing area out of joint.

By adhering to the provisions of the bill we get a definite, contiguous area covering the commercial corn-producing sections of the country. If the gentleman's amendment is adopted, God only knows where that area will stop or begin.



Mr. REES of Kansas. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Does the gentleman realize about 4.21 percent of the total of the corn acreage is being used for silage at the present time?

Mr. BIERMANN. I do not know the percentage.

Mr. REES of Kansas. Is it not a fact that according to the figures of the Department of Agriculture there is 10.17 percent of the corn used for hogging down in Oklahoma, Nebraska, and some in Iowa?

Mr. BIERMANN. I do not know the percentage. If you exempt all of those from the calculations how are you going to arrive at a commercial corn-producing area?

Mr. REES of Kansas. The silage goes into the silo as green feed. It is used in the same way that alfalfa or clover is used or cane, sorgo, and those other products that are put in the silo. This product is not used in the same manner that corn, wheat, or other grain is used.

Mr. BIERMANN. What does the gentleman say about the corn that is hogged down? Would he say that should be exempted?

Mr. REES of Kansas. No; it should not be exempted. I would say silage should not be exempted any more than the corn that is hogged down.

Mr. BIERMANN. The proposed amendment here exempts silage. The gentleman then is against the amendment.

Mr. REES of Kansas. No. I am in favor of exempting silage.

Mr. BIERMANN. Then the gentleman would exempt hogging down corn too?

Mr. REES of Kansas. No. There is no use exempting it. It is not mentioned in the bill.

Mr. BIERMANN. The commercial corn-producing areas as defined in this bill produce only about three-fifths of the total corn in the country. When it comes to the quotas, which bear the load, three-fifths of the corn-producing area will bear the load of the five-fifths.

Mr. DIRKSEN. Why was corn divided into commercial and noncommercial areas?

Mr. BIERMANN. That was done as a matter of administration.

Mr. DIRKSEN. When they administered the wheat allotments under the original Agricultural Adjustment Act, in the State of Illinois, they accorded to counties as low as 680 bushels for a single county. If they could do it at that time, why can they not treat corn uniformly with wheat and make no distinction between commercial and noncommercial areas?

Mr. BIERMANN. I presume this arrangement is an improvement over the arrangement in effect before.

Mr. DIRKSEN. It is done for administrative purposes perhaps.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I offer a preferential motion. The Clerk read as follows:

Mr. FISH moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. DOXEY. Mr. Chairman, I make the point of order the gentleman does not offer a preferential motion and is not therefore entitled to the floor.

The CHAIRMAN (Mr. COOPER). What is the ground of the gentleman's point of order?

Mr. DOXEY. Mr. Chairman, the same motion has been offered and voted on before for the purpose of gaining the floor. I would say, therefore, it is not a preferential motion.

The CHAIRMAN. The Chair is of the opinion that sufficient changes have been made in the bill and sufficient business has been transacted since a motion of similar character was offered, that the motion offered by the gentleman from New York [Mr. FISH] is now in order. The Chair overrules the point of order.

Mr. FISH. Mr. Chairman, the bill as now written is largely a cotton bill. It is largely a cotton-subsidy bill for the

benefit of the cotton growers of the South. Whether it will result in any good is an entirely different matter. You cannot have your cake and eat it, too. You cannot pay out Government loans at 12 cents or 9 cents and keep your world markets. The Congress has been trying to subsidize the cotton growers for 5 years, and just look at the disastrous results! We have lost one-half of our former cotton export trade, or 3,000,000 bales. We now find cotton selling at 7.8 cents per pound. What is the reason?

Mr. Chairman, there has been a large Democratic majority in Congress for 5 years. You have been indulging in all of these subsidy schemes, fantastic experiments, and economic fallacies, and still cotton goes down, down, and down. There was produced this year 10,000,000 more bales than the American people could consume in 1938. What earthly good will this bill do in such a situation? What will it profit the cotton States to have temporary artificial prices and wake up to find that even more of the foreign markets have been lost.

The gentleman from Texas, one of the most distinguished Members of the House, and certainly one of the most distinguished and able chairman of the Committee on Agriculture has had for a great many years, has taken this floor many times on this bill and in at least half of his speeches he has tried to explain the low price of cotton by saying the situation was brought about on account of the unholy iniquities of the high tariff. Still cotton goes down, down, and down to 7.8 cents a pound. The gentleman knows, as everybody else knows, that the Democrats have been in power in the Congress for 5 years, and that they could have controlled all tariff legislation. The fact is the House and the Senate abdicated their powers so far as control of the tariff is concerned and delegated those powers to the President and Secretary of State. He cannot therefore, with any fairness, go back 5 or 6 years and blame the low price of cotton upon the Republicans and a high tariff. That has not anything to do with it; but if it is claimed that the tariff rates do have something to do with it, then the blame rests squarely upon the President and Secretary of State, who control the making and the writing of tariff schedules under the reciprocity tariffs.

Mr. SIROVICH. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. SIROVICH. When the Republican Party was in power away back in 1926, they passed the only fair and just bill to put agriculture upon a parity with industry.

Mr. FISH. The gentleman is right.

Mr. SIROVICH. It was known as the McNary-Haugen Act. That bill took the world price for cotton, added the tariff, and put agriculture upon a parity with industry; yet the gentleman voted against that bill.

Mr. FISH. I made a mistake and admit it. I reintroduced the McNary-Haugen bill in the House 4 years ago and have urged it as the only constructive way of maintaining our foreign markets for our surplus cotton, corn, wheat, and other farm commodities. Let me say to the gentleman from New York, in 1926 cotton was selling for 14.4 cents and wheat at \$1.50 and corn at 90 cents. The Democrats are trying to get back to those Republican price levels and conditions when they talk about parity. They are trying to get back to the price levels in the year of 1926 under the Calvin Coolidge administration. From 1920 to 1930, under Republican administrations, the price of cotton averaged 17½ cents, and the tariff was not evidently much of a hindrance or harm at that time. It is preposterous to even blame the Democratic tariff for the lamentable and deplorable cotton price today.

Mr. HOUSTON. Will the gentleman yield?

Mr. FISH. For a brief question.

Mr. HOUSTON. Is not the McNary-Haugen bill the same as the Elcher-Massingale cost-of-production bill, which is going to be offered here tomorrow?

Mr. FISH. It is somewhat along the same line, and in principle is the same. I believe in the principle. I want to restore the world markets for the surplus-cotton crops of



America and the surplus wheat and corn crops. This is the purpose of both the bills referred to.

According to today's newspapers, the President on his return from his fishing trip in Florida stated at a press conference that "the business recession is just an assumption," and refused to propose any plans to combat it. The President ought to know the exact business, economic, and farm situation in the country better than anyone else, because, as he said:

We planned it that way, and don't let anyone tell you differently.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

Mr. JONES. Mr. Chairman, reserving the right to object, I understand debate on a motion to strike out the enacting clause is limited to 10 minutes.

The CHAIRMAN. The gentleman is correct.

Mr. JONES. I want to dispose of this motion. I am willing for the gentleman to have 1 additional minute, but I want to get through in the 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. It is no myth to the cotton growers, as we now consider the farm bill, that cotton is selling for 7.8 cents a pound after 5 years of regimentation, control, wand waving, and magical New Deal schemes, and impractical, visionary, and costly experiments. President Roosevelt has often said that he goes on fishing trips to get away from Washington to find out what the people are thinking about, and it may be that the fishing was good and there was no depression in the Gulf Stream.

However, if the President does not know that there is a serious depression in the country, for which he is solely responsible, and believes it is still a myth, he could easily find out from the millions of wage earners and farmers who have lost their jobs in the last 2 months, because it is no myth to them, particularly in the middle of winter. It is no myth to the workers in the steel industry, where production has been reduced from 85 percent to 35 percent in the last few months. It is no myth to 50,000 railroad employees who have lost their jobs, or to other tens of thousands of workers in factories and mills, and to American investors in securities. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I rise in opposition to the motion to strike out the enacting clause.

Mr. Chairman, I have served with the genial gentleman from New York [Mr. FISH] a number of years. I wonder if he has ever actually voted for any of the farm bills. As a matter of fact, whether he has or not, I claim, as I have stated repeatedly, that the appropriation of funds as an offset to the tariff is not a subsidy any more than the tariff itself is a subsidy. [Applause.] Whether or not farm commodities are at a high or a low price, so long as we have the tariff system an appropriation for such a purpose will not be a subsidy but restitution.

The gentleman talks about the Democrats being responsible. You know the Democrats fought the high tariff system for nearly 100 years. However, when a man gets an industry or two in his district, somehow he does not feel at liberty to vote against a tariff system. The Republicans got this country so permeated with this system that we could not dislodge it. Therefore, we took the fair method of extending the circle and bringing all Americans into the picture, the justice of which procedure I do not think anybody can gainsay.

As a matter of fact, the gentleman from New York refers to prices of farm commodities in 1926. During those years we had the oil scandal, we were living in a fool's paradise, chasing dollars, lending money by the billions abroad to sustain our price structure, and selling farm securities through the banking structure under Mr. Mellon to the American people, to a point where we were using up our capital, living in a fool's paradise, and riding toward the

rocks, which we ultimately and necessarily reached in the collapse of 1929, the like of which has not been seen on this or any other continent in the last 100 years. The gentleman's party must take responsibility for this wild debacle.

Of course, if a man borrows all the money he can get hold of, and if his credit is good, he can go out on a wild spree and have a good time for a few days, but the laws of nature and of nature's God bring retribution. This is what happened in 1929, 1930, 1931, and 1932, and I lay it at the door and at the feet of the gentleman's party. [Applause.]

I am sorry the gentleman has brought up the partisan question. No member of the committee raised the partisan question. This is a great national problem, and I am sorry the gentleman brings up that question. Regardless of whoever raises the question, however, there is a great job to do, a most difficult job even when everybody interested in the problem helps. I hope the Members of Congress will try to be helpful. I would not envy anyone the task of doing this job, with the assistance of my colleagues on the committee and whoever will be on the committee of conference, but it is a matter which happens to be our responsibility. We are going to do the best we can, and we need the help of everybody. If you have an honest difference of opinion, I have no complaint, but let us not complicate the problem by introducing extraneous matters. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion of the gentleman from New York [Mr. FISH] that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The motion was rejected.

Mr. WADSWORTH. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin.

Mr. Chairman, the gentleman from Wisconsin, in offering his amendment, has brought up what to my mind is a very important and practical question. It does not involve, I hasten to assure those of you who are patient enough to listen to me, a constitutional question. May I say before endeavoring to develop this discussion in the short time allowed me I am quite certain the gentleman's amendment is not effective for the purpose he has in mind. He will probably recognize that if he would go to page 38 and strike out the paragraph commencing in line 10 and ending in line 21 he will accomplish the major portion of his purpose. With that language stricken out, with a few corrective amendments in the preceding provision, I believe his whole purpose will be accomplished; and may I say to the gentleman and the Members of the House that the gentleman from Kansas [Mr. REES] has been preparing an amendment on this very question for the last 2 days, and perhaps it would be a good plan for the gentleman from Wisconsin and the gentleman from Kansas to put their heads together and perfect an amendment.

Now, Mr. Chairman, a word about silage. From a strictly practical standpoint silage is not a fat-producing portion of the ration of livestock. True it is that a good deal of silage is fed to beef cattle while they are being fattened, but the feeder who does it is compelled to add a generous ration of grain to the silage ration. Silage is nothing more nor less than a preserved green fodder. It is not transportable. It does not enter into commerce. I dare say that nine-tenths of the silage put into the silos in this corn area, as you are pleased to call it—and I am not in that area myself, so I speak without direct interest—is fed to dairy cows, and the dairy cow produces milk. The silage fed in this fashion has no relation whatsoever to the field corn covered in this bill, which is fed to hogs and steers for pork and beef products. It does not come in competition with what we know as field corn. It is not a part of the fattening ration either in the dairy barn where cattle are not supposed to get fat anyway—the fat goes into the milk pail—neither is it a competing ration in the feed lot where steers and hogs are fattened.

If this bill goes through in its present form and if I am right in interpreting the language found on page 38, line 10—and I suggest that every member of the committee read that



language and see if he is absolutely certain just what it means; I am a little bit in doubt about it—if this bill goes through, the acreage planted to silage corn is going to be counted just as the acreage planted to ordinary field corn, and if that acreage is in excess of the quota allowance, then the proportion of that silage, supposed to contain as one of its ingredients the mature grain—which it does not—will have to be estimated upon and put into storage.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. BOILEAU. Does the gentleman mean it is his opinion that silage will have to be stored?

Mr. KNUTSON. If it is excess, it has to be stored.

Mr. BOILEAU. I think the gentleman from New York is in error.

Mr. WADSWORTH. Well, what is going to happen to it if it is in excess of the quota allowance?

Mr. BOILEAU. The purpose of this provision is to protect the dairy industry against corn being taken out of field corn and going into the storage of silage, and the effect of this provision in the bill is to protect the dairy industry, and if a person should reduce his field corn production and increase his silage production, then he will be required to store a larger percentage of his field corn. This will not be an inducement for his increasing his production of silage.

I think, with all deference to the gentleman, and I know he is greatly interested in the matter, he has a wrong slant on this matter.

[Here the gavel fell.]

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. The 2 minutes will do me no good whatever unless I am allowed to use them myself.

I disagree with the gentleman from Wisconsin [Mr. BOILEAU] as to the effect of this legislation on the dairy industry, although I have been in deep sympathy with him in the move he made the other day in offering an amendment which, in my opinion, is essential to the preservation of the dairy industry.

You cannot persuade me that the corn feeder is going to be tempted by the terms of this bill, lacking the provision which I would like to see stricken out, to go into the dairy business. He is going to stay in the corn-feeder business. What I dread is that this particular provision will hit the dairymen straight in the face. If a dairyman finds he has planted a certain acreage of corn for silage purposes, as it has been his custom to do for years, or perhaps he may put in 10 more cows in his dairy barn and put in 10 more acres of field corn, then along comes the Secretary of Agriculture and states that the quota system is to be adopted and the silage corn must go under the quota system. This hits the dairyman straight in the face. He has to reduce the amount of silage he can feed his own cows to produce milk, and, unless I am very much mistaken, it has to be stored somewhere.

Mr. REILLY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. REILLY. I think the gentleman is wrong.

Mr. WADSWORTH. He cannot have any excess.

Mr. REILLY. That is not excess silage. The provision is that if the acreage used for silage is more than the farm acreage allotment, the storage amount shall be the normal production of the acreage not used for silage.

Mr. WADSWORTH. The storage amount of what?

Mr. REILLY. The storage amount of corn.

Mr. WADSWORTH. What sort of corn?

Mr. REILLY. The point which I made before is this: I have farmers in Wisconsin who have 50 or 60 or 100 acres of silage on a 200-acre farm.

Mr. WADSWORTH. I can understand that perfectly.

Mr. REILLY. They can have 100 acres of silage, way above their quota, but they cannot have another acre of corn to use as shelled or husked corn.

Mr. WADSWORTH. In any event, while the gentleman and I may approach the matter from different directions, I believe his amendment is in the right direction.

Mr. JONES. Mr. Chairman, I understand that some gentlemen want to go a little further into this amendment. I ask unanimous consent that the silage question go over until tomorrow, with the amendments filed, in the RECORD, and that we now go into the matter of the committee amendment which Mr. LUCAS has, and also another amendment which is not a committee amendment, and dispose of those this afternoon.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the amendment offered by the gentleman from Wisconsin [Mr. REILLY] go over until tomorrow. Is there objection?

Mr. WILCOX. Mr. Chairman, I reserve the right to object. Does that mean that we will not proceed further than the corn section this afternoon?

Mr. JONES. It does.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KELLER. Mr. Chairman, I agree largely with what my friend from Colorado had to say, that there never was a time in my judgment when we need facts so much as we need them at the present time in considering this farm bill. I have been waiting for 3 or 4 days for an opportunity, without disturbing the natural sequence of ideas, to present to this body some facts which I think we will find very constructive. It is, therefore, with a great deal of pleasure that I at this time call the attention of this body to the speech of the distinguished Senator from Alabama, Mr. BANKHEAD, on the 29th day of November, which will be found in the CONGRESSIONAL RECORD on pages 443 and 444. As a supplement to his own excellent address Senator BANKHEAD inserted in the RECORD on pages 445, 446, and 447 an article which had appeared in the St. Louis Post Dispatch, written by Dr. Roscoe Pulliam, president of the Southern Illinois Normal University, located at Carbondale, in my home county of Jackson. This great school is my alma mater, and the very able writer of this article, Dr. Pulliam, is my intimate friend.

The first part of the article is the best short statement of the cotton situation I have ever heard, and should be read by every man who really wants to get a perfectly clear statement of the facts in relation to the shift in cotton purchases from the United States to other countries in the United Kingdom, France, Germany, and Italy. The statistical tables are included.

The second part of the article, exhibit B, is headed "A Defense of Crop Control." It ought to have been headed "A Complete and Unanswerable Justification of Crop Control," because that is exactly what it is. There is not a man in this House who is against crop control who can refute the statement of facts or the conclusion reached in that exhibit B. I call attention of any who may be voting for crop control on general principles to this statement of Dr. Pulliam's as furnishing them a very concise, very simple answer to all the objections and criticisms which have been or can be leveled against crop control, as being in the direct interest of the farmers of this country, as well as in the interest of every creator of wealth in America.

I have some pride in calling attention to the fact that Dr. Pulliam is not an importation into our Little Egypt, as southern Illinois is known, but is a native son grown to greatness in the same section that has produced Gen. John A. Logan; Col. Robert G. Ingersoll; Senator William E. Borah; the Great Commoner, William Jennings Bryan; and many others as great though not so well known as they.

I thank you for the opportunity of emphasizing that this is the time when we need facts in this case, assuring you that many of those required in considering this farm bill



will be found in the articles to which I have called the attention of the Members of this House. [Applause.]

Mr. LUCAS. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. LUCAS: Beginning on line 18, page 32, strike out paragraph (2) and insert:

"(2) Whenever prior to February 1 of any calendar year the Secretary has reason to believe that any county which is not included in the commercial corn-producing area determined pursuant to the provisions of paragraph (1), but which borders upon one of the counties in such area, or that any minor civil division in a county bordering on such area, is producing an average of at least 400 bushels of field corn per farm and an average of at least 4 bushels for each acre of farm land in the country or in the minor civil division, as the case may be, he shall cause immediate investigation to be made to determine such fact. If, upon the basis of such investigation, the Secretary finds that such county or minor civil division is likely to produce field corn in such average amounts during such calendar year, he shall announce such determination, and, commencing with such calendar year, such county shall be included in the commercial corn-producing area. In the case of a county included in the commercial corn-producing area pursuant to this paragraph, whenever prior to February 1 of any calendar year the Secretary has reason to believe that facts justifying the inclusion of such county are not likely to exist in such calendar year, he shall cause an immediate investigation to be made with respect thereto. If, upon the basis of such investigation, the Secretary finds that such facts are not likely to exist in such calendar year, he shall announce such determination, and commencing with such calendar year, such county shall be excluded from the commercial corn-producing area."

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. Yes.

Mr. ANDRESEN of Minnesota. Will the gentleman tell us the change made by this proposed amendment in respect to the bill in its present form?

Mr. LUCAS. The gentleman will remember that during the time the committee was meeting, the original draft of the bill provided not only the county as the unit, but any minor civil division, and that as we discussed that question we agreed at one time to eliminate the minor civil divisions because of administrative difficulties. Later on, when it was discussed with members of the Agricultural Department in the Secretary's office, we discovered that when we eliminate minor civil divisions we do this. In the commercial corn-producing area, if we eliminate minor civil divisions, we have only 48,578,000 acres, or a total production of 1,504,979,000 bushels, or 59 percent of the total crop. If you include these minor civil subdivisions, such as one township or more bordering on the commercial corn-producing area, you will have 54,780,000 acres, with a total production of 1,696,678,000 bushels, or 60 percent of the total corn crop. In other words, this puts several million acres of land back into the commercial corn-producing area and helps to that extent.

Mr. ANDRESEN of Minnesota. It means that about one-half of the acreage will be inside of the corn area and the other half will be outside of the area, but the larger production will be within the commercial corn area.

Mr. LUCAS. With this change the larger production is within the commercial corn-producing area, but before the change the larger acreage was on the outside.

Mr. ANDRESEN of Minnesota. Let me ask the gentleman, further, does the adoption of this amendment materially change the lines on the map which we had the other day, to enlarge the commercial corn area?

Mr. LUCAS. No; it does not change the map, as I understand it. This will be of tremendous benefit to the commercial corn-producing area, in view of the fact that we are required to carry all of the loans.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. LUCAS] has expired.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I know with what earnestness, seriousness, and anxiousness the Committee on Agriculture of this House has worked upon the farm bill of 1938. I know that this committee has done its level best under very trying circumstances and dealing with a problem which has manifold an-

gles. To satisfy one section of the country is often to render another section dissatisfied, and in legislating on one commodity, often another commodity receives unintentional but serious injury.

The distinguished chairman of this committee, from the State of Texas, has shown great ability in handling this bill in the House of Representatives where every discordant and adverse interest has asserted itself.

There are many good features about this bill which I think are distinct improvements over preceding legislation. The provision in this bill which provides that the term "normal yield" for allotment purposes shall be the average yield per acre covering the 5 immediately preceding years, is a distinct improvement over the previous arrangement. Under the old law the base or normal yield per acre did not fluctuate with the improvement of the land or the further deterioration of the land. It remained constant and became often an unfair yardstick for the average farmer.

Then, too, the amendment which has the sanction of the Committee on Agriculture which permits any farmer to produce up to 1,500 pounds of lint cotton without any penalty whatsoever, is a forward step toward aiding the little farmer to produce enough cotton to earn a living. It is estimated that there are approximately 2,600,000 cotton farmers within the United States; and, of course, an allowance of 3 bales of cotton of 500 pounds each for each producer will account for almost 8,000,000 bales. This will allow some 4,000,000 bales, varying according to the needs of the world for cotton, to be distributed among those farmers who raise considerably more than the minimum yield. At the same time it will guarantee to the smallest a better return for his year's work than has been permitted in many cases in the past.

As I have traveled through northern Louisiana I have talked to a great many farmers who own from 40 to 120 acres of land. Under the agricultural program of other days these farmers have been led to diversify and to plant only a portion of their farms in cotton and putting the other part in feed crops for their own consumption and the consumption of their livestock. Under the old A. A. A. these farmers have told me of the hardship which has been imposed upon them by the fact that their allotment has been reduced to the point where their entire year's work amounts to forty to a hundred dollars in cash.

As the bill before the House of Representatives stands today, at least this hardship will be to some extent corrected. As I read this bill, the base allotment will be arrived at by accepting as a yardstick a percentage of the entire acreage planted by a farmer and not by giving him credit only for the amount planted in cotton. Then, too, his condition will be somewhat improved by granting him, regardless of his acreage planted, freedom from penalties on the first 1,500 pounds of cotton which he raises. While I do not think that this is large enough to insure a farmer a fair living or to give him an opportunity to live on anything like the same scale that is set by the American standard of living, I do believe that it does mitigate the hardship which heretofore has been imposed upon the small farmer and is a distinct forward movement in the right direction.

The idea behind the present farm program in the United States is to place agriculture on a parity with industry. For over 75 years industry has been protected by high tariff walls which have yearly taken from the farming classes in our Nation hundreds of millions of dollars. The result of this situation has been to enrich industry and reduce agriculture to poverty.

Since this is our prime purpose, the need of agriculture is for a bonus to offset the amount being paid industry by virtue of our tariff walls. It has been indicated that the amount for the year 1938 to be used in bringing agriculture to a parity with industry will not exceed \$500,000,000. This, Mr. Chairman, is not enough money for these purposes. As this bill will work out, the cotton farmer of the South will receive no more than he has been heretofore paid for conformity with the soil-conservation program.

Since our purpose is to make payments to the farmers of the Nation to place them on a parity with industry, it oc-



curs to me that this could be done without a great deal of the red tape and procedure as set forth in the bills pending before both House and Senate. It is true an allotment must be given each farmer in order that the parity money available must be distributed correctly among the cotton farmers of the South; but in order that this be done it is not necessary that a complicated method be established, which we in Congress have difficulty in understanding, and which we cannot expect the millions of farmers of the Nation to understand.

I am impressed by the plan that the parity payment to the farmer should be made, as a matter of simple justice, to place the farmer on an equality with the tariff-protected industries of the Nation. Since this is our primary object, I believe that this can be done without restricting production. The farmer who desires to grow only in accordance with domestic needs and consumption can voluntarily curtail his production accordingly. The farmer who desires to grow a large amount of cotton, expecting to use some of it in export, will still be entitled to a payment which will place his operations on an equality with industry, and which will leave him free to speculate with his operations either on a large or a small scale. This is the plan which I think is best suited for the cotton production in the South, and this is the plan which I urge today.

Because of the conditions prevailing in Congress and because of the fact that legislation of this sort is still in its experimental state, I appreciate the fact that my plan has no chance at present of being adopted. I believe it is the plan which ultimately will bring about a solution of our problem. This plan has the advantage of placing agriculture on a parity with industry. It has the possibility of giving the farmer the same income and the same standard of living as those who are engaged in manufacturing enterprises. At the same time it does not restrict production of agricultural products, and permits the cotton farmer to produce or to fail to produce as he desires. If the price of cotton is high, this plan will give him much prosperity. If the price is low, it still permits him to earn a decent living and to care for himself, his wife, and his children as they should be cared for in this great country.

As the only bill before the House of Representatives at the present time is H. R. 8505, and this is the only way that we can hope to get any farm legislation through at this session of Congress, I hope to be able to vote for it. Another bill will be passed by the Senate and these two bills will be sent to conference. I appreciate the shortcomings of both bills, and I know that they are not going to be satisfactory to the farmers of the South. Since the conferees to be appointed by both House and Senate will have an opportunity to correct many of the mistakes made in these two bills, I want to give them this opportunity, reserving to myself the right to vote either for or against the bill as reported by the conference. My hope, however, is that the plan which I previously set forth in this speech may be the one which the Congress will ultimately enact as a solution of the farm problem.

I do not believe restriction of production will solve the problems of agriculture. I cannot believe that this idea is anything but a makeshift arrangement that must alternately give way to a wider distribution of farm products. I believe that the farm land of America is provided by Almighty God for the purpose of being used. I believe that every bale of cotton and every bushel of wheat has its place in the distribution of this universe. I believe that for every bushel of wheat and corn and every bale of cotton produced in America there are, some place in this world, people in need of food and clothes who will gladly use and sorely need these things.

As long as there is need for these commodities, either in this land or in foreign lands, our problem is not production but distribution. Our work here should accordingly be devoted to an attempt to solve the problems of distribution in the world today which has caused agriculture and industry at the present time to be so much out of joint. [Applause.]

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. MICHENER. Mr. Chairman, I move to strike out the last word for the purpose of asking the author of the amendment a question. I have not had time to read this long amendment, but I understand from the explanation given by the gentleman from Illinois that the adoption of this amendment will add acreage to the commercial corn area. It seems to me that the amendment will bring into the area any county in which there is found to be a township having a single farm on which 400 bushels of corn, or 4 bushels to the acre of the entire farm, is grown. In short, will the township unit control? For instance, I have the county of Lenawee within the commercial corn-producing area. Adjoining is the county of Jackson, which is not included. Under this amendment, if there is a single farm in the county of Jackson producing 400 bushels of corn, or 4 bushels to the acre, then will the entire county automatically come within the quota-controlled area?

Mr. LUCAS. It is my understanding that the counties which have been added under this amendment are contiguous to and border on the commercial corn area as set forth in the original bill.

Mr. MICHENER. I have the only three counties in Michigan in this controlled area. Adjoining one of those counties is another county. If there happens to be one farm in that county qualifying for quota control, will that condition automatically bring in the entire county? It seems to me, from a cursory reading of the amendment, that it would.

Mr. LUCAS. I do not agree with the gentleman on that at all.

Mr. MICHENER. Well, is that true or is it not?

Mr. LUCAS. I think the gentleman is in error.

Mr. MICHENER. Well, is the gentleman positive?

Mr. LUCAS. I think I understand this amendment, if the gentleman would just give me an opportunity to explain. It is my understanding that the farm you are now discussing bordered on the territory. That farm would possibly come within the amendment. But the gentleman is now talking about the rest of the farm land in that county not producing over 4 bushels to the acre, or 400 bushels to the farm. Consequently the rest of it would not be included in this bill.

Mr. MICHENER. That is what I am trying to find out. If there is one farm, for instance, on the opposite side of a county which is adjacent to a commercial corn-producing county, a distance of say 30 miles away, would that fact bring in the county, the township, or just the particular farm?

Mr. LUCAS. I just finished stating to the gentleman that the reason we put in the county subdivisions was to eliminate the rest of the county that the gentleman is talking about, but it might take in a township, provided that farm bordered upon that territory which is now designated in the commercial corn-producing area. If it is 30 miles away it would not be in, I will say to the gentleman.

Mr. MICHENER. The committee clerk indicates that this one farm might bring in the township in which the farm is located as the unit, but not the entire adjoining county. If this is true then the amendment simply changes the unit from county to township. This will add immeasurably to the expense of administration if these townships are to be scattered over all counties adjoining all controlled areas.

[Here the gavel fell.]

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. LUCAS. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LUCAS: On page 34, line 24, before the word "or", insert "plant disease."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.



Mr. LUCAS. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LUCAS: Section number amendments in corn: Page 35, line 8, strike out "(m)" and insert "(1)."

Page 35, line 9, strike out "328" and insert "329."  
Page 36, line 5, strike out "327" and insert "328."  
Page 39, line 20, strike out "(d)" and insert "(c)."  
Page 42, line 5, strike out "326" and insert "327."  
Page 42, line 11, strike out "327" and insert "328."  
Page 43, line 2, strike out "328" and insert "329."  
Page 43, line 23, strike out "329" and insert "330."

The committee amendment was agreed to.

Mr. LUCAS. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LUCAS: Page 36, line 20, after the word "referendum", insert a comma and the words "by secret ballot."

The committee amendment was agreed to.

Mr. VOORHIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VOORHIS: Page 36, line 20, after the word "shall", insert "give due notice and an opportunity for a hearing upon the proposed marketing quotas for the purpose of permitting livestock and poultry feeders, and consumers in general, to present objections to the establishment of marketing quotas as provided in this section. After such notice and opportunity for hearing the Secretary shall."

Mr. VOORHIS. Mr. Chairman, all this amendment proposes to do is give a chance for those farmers who are consumers of corn to be heard at a hearing conducted by the Secretary, before quotas are put into effect. It so happens that in my district I have a large number of poultry raisers, small farmers, who in the past few years have had a very difficult time. They are marketing their eggs in a market over which they have absolutely no control whatsoever, a market that is controlled by people who buy and sell eggs, and manipulate prices so that when the poultryman has an abundance of eggs the price is kept very low, but when the poultryman has very few eggs and the speculator an abundant cold-storage supply the price is forced up. On the other hand, their cost of feed has been increased and will be increased in future by the degree to which the price of corn is raised. This amendment merely provides for giving to such farmers an opportunity to be heard under such circumstances. It is an attempt to make the bill a little bit better balanced. It is unfortunately true that the bill does not assist all agriculture but only the five commodities.

I believe very heartily that all farm prices need to be raised—prices to the farmer. I think one reason we have so much difficulty is that there is such a large spread between the price to the farmer and the price the consumer pays; and I hope the time will come when we are willing to sacrifice gambling in farm commodities for the purpose of reducing that spread. [Applause.]

The thing with which I am more immediately concerned, however, is this amendment. I do not think it will hurt the bill. On the other hand, I believe it will strengthen it. It is an amendment I should like to see adopted in order to give these consumers of corn who are farmers just as much as the corn growers a chance to be heard upon a matter which is of vital importance to them. They are farmers who are up against the same problems, but who have much less capital and much less backing than a great many of the farmers in America.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. I yield.

Mr. DONDERO. Does the gentleman think this would in any way affect the price of the corn that his farmers have to buy?

Mr. VOORHIS. I am not sure; but at least it would enable them to be heard on the matter and to present their case.

Mr. DONDERO. If it did not, it would be useless to adopt the amendment.

Mr. VOORHIS. I understand, but presumably testimony would be taken and some publicity given to that which might have some effect.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS. I yield.

Mr. GILCHRIST. In how wide an area would the vote be taken under the gentleman's amendment?

Mr. VOORHIS. It had nothing to do with a vote, I will say to the gentleman.

Mr. GILCHRIST. I did not hear the gentleman's amendment read.

Mr. VOORHIS. It merely provides for hearings where poultry raisers, stock raisers, and consumers of corn may have an opportunity to be heard before the referendum is had.

Mr. GILCHRIST. After the hearings what would be the result?

Mr. VOORHIS. As I explained, my amendment would simply give these men a chance to present their case. I presume some publicity would be given to it and it might have the effect of putting them in a better position in the matter. It seems to me this is little enough to ask.

Mr. GILCHRIST. Would the gentleman have hearings all over the whole country?

Mr. VOORHIS. I do not conceive that they would be held over the whole country. I imagine that would be arranged by the Secretary much as similar things are done now under our farm program. There might be regional hearings.

Mr. GILCHRIST. Not confined to the corn area, but everywhere.

Mr. VOORHIS. That is right.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word of the amendment and I make this pro forma motion as the friend of the bill, in an effort to be helpful and constructive, and especially for the benefit of the members of the Committee on Agriculture, when I say that the allotment for field corn among farms as shown by section 328, paragraphs (a) and (b), page 43 is sound. The State allotments and the county allotments are made on the basis of the acreage devoted to the production of field corn, plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs, with adjustments for abnormal weather conditions and trends. The same yardstick substantially applies to allotments among farms within the county. This rule obtains with respect to the allotments of tobacco, as shown by section 2, subsection (c), paragraph (5), page 7. It obtains with respect to wheat, as shown by section 336, paragraphs (a), (b), and (c), pages 49 and 50.

I regret that this yardstick does not obtain in the case of cotton. I believe that the same yardstick should cover cotton, wheat, corn, and tobacco.

The soil, the topography, and production facilities vary in each county in Mississippi, and especially in the hill counties. The average farmer cannot be allotted a fixed percentage of the tilled acres without doing him injustice. In some counties the tilled acres are rough and not suitable to cotton. This is true in the hill counties in Mississippi, in creek bottoms and river bottoms and valleys. Some of the hill land is not suited to cotton; some of the bottom land is too wet; and some of the tableland is good cotton land. In allotting acres to farm in a county the type of soil, production facilities, topography, as well as tilled acreage, should be taken into consideration. This is recognized in the allotment of the 2½ percent of the State acreage on pages 6 and 7 of the bill.

I commend to the members of the Committee on Agriculture from the cotton States the wisdom of following the example of the members from the wheat, corn, and tobacco belts. Consideration should be given to tilled acreage. I call attention to a discrepancy in the tilled acreage provision of section 2 respecting wheat in the allotment among farms and the provision under the quota. Under the quota provision the allotment of acreage is on the basis not only of



tillable acreage but type of soil, topography, and production facilities. The quota provision has been stricken out of the bill, but if it is restored to the bill on the floor of the House or in conference I take it that the tilled acre basis in section 2 (c) will be made to conform to section 336, subsection (c), page 50 of the bill. I am not suggesting that tilled acreage should not be considered. There are other factors, however, than tilled acres. Types of soil, topography, production facilities, and crop-rotation practices are to be considered.

I emphasize the point that the wheat growers, the corn growers, and the tobacco growers have adopted the production yardstick rather than the prescribed percentage of tilled acres which obtains only in the case of cotton. I respectfully submit, in an effort to be helpful and to aid the cotton program, that the conferees should modify the prescribed percentage of tilled acres for cotton and adopt the same yardstick that has been adopted for wheat, corn, and tobacco.

The types of land in the greater part of the district that I represent are similar. The tilled acreage basis would probably be better for the Delta lands of Mississippi than for any other section of the State. In at least 60 percent of the counties of the State of Mississippi the tilled acreage basis would do an injustice. I am advised that the same situation obtains in other States from South Carolina to Texas. I am further advised that the Delta along the Mississippi River and the alluvial States from Cairo to the Gulf and the Black Belt of Texas would more nearly receive fair treatment under the tilled acreage basis than would any other sections of the Cotton Belt. Yet even in these counties there is enough variation in soil and topography to make uniform allotments on the basis of tilled acreage unfair in many instances.

I believe that the allotment should be made not only on the basis of tilled acreage but types of soil and topography of the land. This yardstick is right for corn, wheat, and tobacco. It should certainly be right for cotton. I believe that the tilled acreage basis alone for cotton will cripple the program. I trust that in conference the yardstick for cotton may be put on a parity with the yardstick for the other major commodities.

The tilled acreage yardstick for cotton will result in a smaller acreage being allotted to the smaller farms in the hills, and to a larger acreage being allotted to the larger farms in the so-called upland or hill sections of Mississippi and other States.

Moreover, the tilled-acreage basis in the valley or Delta counties will tend to increase the cotton acreage of the larger farms and decrease the cotton acreage of the smaller farms in those counties. I am speaking after having made investigation.

It is passing strange that if other commodities are entitled to a definite yardstick, as in the case of wheat, corn, and tobacco, cotton should be given an unfair and unworkable yardstick.

In behalf of the tilled-acreage apportionment the illustration is frequently used that a farmer in the upland areas of the Cotton Belt, cultivating 25 acres, has diversified, and that his neighbor across the road cultivating 100 acres has not diversified, but has planted all that he possibly could to cotton. The owner of the smaller acreage has diversified because it was more profitable, because his lands were not suitable for cotton, and because it was more profitable to grow other crops than cotton thereon. In the far greater number of cases the small farmer with 25 acres in cultivation has not diversified in an effort to make a living for his family, but has planted all of his 25 acres that he could to cotton. The tilled acreage operates against the small growers who have not diversified and who compose the great majority of small cotton growers, and the records of the Agricultural Administration will verify the statement.

It might be admitted that tilled acreage would benefit one farmer, but a careful analysis will show that while it may benefit one it would injure nine or more others. The program is for the general benefit. The tilled acreage yardstick is unsound. The production on the farm is the best rule or yardstick that has been proposed. Corn, wheat, and tobacco

have adopted the rule. No better one has been suggested or proposed.

The prescribed percentage of tilled acres which obtains only as to cotton will materially change the entire cotton set-up and cripple, if not disastrously injure, the cotton program. This is especially true inasmuch as there is another provision under the cotton sections that limits the maximum production on any farm in any county in any State to 60 percent of the acreage of the farm. I conclude by saying that the prescribed percentage of tillable acres applies only as among farms. It is a mistake to take the example of one farm and undertake to adopt a general rule that would help or hurt that farm. The family-size cotton farms have not diversified. It is desired to help them. In an effort to help the one out of the great number who have diversified, the remainder of the family-size farms would be injured by the tillable acreage basis. Farm and farmers are similar everywhere. I submit to the distinguished chairman of the Committee on Agriculture and to the cotton members of the committee especially that the cotton provisions cannot be right unless the provisions for wheat, corn, and tobacco are wrong. A rule should not be adopted unless calculations are made as to the effect of the rule in all counties and in all States. The prescribed percentage of tillable acres has all of the earmarks of being a rule intended to apply in some one or few instances of alleged diversified farming, but when applied to the great body of farmers would be most detrimental to those who need help most. I am not asking the members of the committee to rely upon my judgment. I respectfully suggest and recommend that they confer with the officials who have had charge of the administration of the programs and that they ask for facts and figures respecting the prescribed percentage of tillable acres before this unfair and unsound yardstick is fastened upon the cotton growers of the South.

The gentleman from South Carolina [Mr. FULMER] refers to tilled or valley lands on which 80 or 90 percent has heretofore been cultivated. He is confusing base acres with acres actually cultivated under the program. There has been a reduction from these base acres in the area that I represent of around 35 percent. There is less now than 60 percent planted. It is easy to make statements, but if the gentleman and the other Members from cotton districts will investigate, they will find out that in South Carolina on the small farms of 1 to 19 acres, family-size farms, the tilled acre yardstick will result in a larger percentage of reduction on those farms than on the large farms in that State. I have investigated the matter. Statements and conclusions must yield to facts. The same situation is applicable not only to South Carolina but to Georgia, Texas, Arkansas, and other cotton-growing States.

Mr. FULMER. Will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from South Carolina.

Mr. FULMER. In the gentleman's own section it may be you would get as much as 60 percent of the tilled acres because in that section you have planted a larger crop than in other sections of Mississippi. The matter of tilling and bales has been the trouble in the past.

Mr. WHITTINGTON. With deference, the gentleman begs the question. I will gladly answer. With the prescribed percentage tillable acreage yardstick, plantings in the past have no application. Under the yardstick all farms will plant the same percentage regardless of whether they have planted more than their proper allotment or less than their proper allotment in the past. For the gentleman's information, I will state that in the district that I represent I doubt if as much as 60 percent of the land is now planted to cotton. I repeat, he has confused base acres and planted acres. The production, as well as the tillable acres, are more beneficial to the small farmer. I want to help the bill. I am not asking you to take my statement; but, as the friend of the bill, I do ask you to call upon the Agricultural Department to advise you by giving you the facts in South Carolina and in other States as to the effect of the tillable acreage yardstick. When this has been done I am confident that



the gentleman from South Carolina will be the first to urge that the same basis be adopted for cotton as has been adopted for corn and other commodities.

[Here the gavel fell.]

Mr. LUCAS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California [Mr. VOORHIS].

Mr. Chairman, if I understand the amendment submitted by the gentleman from California, it has no legal significance whatsoever. It merely provides that within 15 days of the referendum some sort of a hearing shall be held for the benefit of certain individuals who are interested or who may come to protest or do something else. In other words, the amendment is not of benefit to the bill. We went over the provisions of this particular phase of the legislation very carefully, and we believe it is better the way it is. I hope, therefore, the amendment offered by the gentleman from California will be voted down.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from California [Mr. VOORHIS].

The amendment was rejected.

Mr. CARLSON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CARLSON: Page 37, line 12, after the period, add the following: "Provided further, That the quota provisions of this section shall not apply in any county where, during the previous year, the average yield of corn is less than 50 percent of the average yield for the 5-year period immediately prior thereto."

Mr. CARLSON. Mr. Chairman, I offer this amendment to deal with a practical situation. In the pending bill we are establishing a commercial corn area. I know from actual experience in this area that there are a large number of counties that did not produce corn this year and have not produced corn for from 3 to 5 years. If the amendment which I have offered is not agreed to, a quota may be established for these counties that did not produce 50 percent of a crop of corn.

I think this will result in one of two things. In the first place, these farmers are allowed to vote on whether or not we will have corn quotas. It takes only one-third of the farmers of the United States. Therefore, if we want corn quotas in the corn area, I think we should give these counties a leeway. To me it is a practical amendment, and I hope the chairman of the corn section of the Committee on Agriculture will accept the amendment, because it will have no effect on the great corn sections of the country. These counties for the past few years have not produced corn. It happens that they are in this corn quota. In some counties we have a large acreage in these farms, and it only takes 400 bushels per farm, or it takes 4 bushels per acre per farm.

Mr. ANDRESEN of Minnesota. Will the gentleman yield?

Mr. CARLSON. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. I call the gentleman's attention to a provision on page 38, line 22 of the bill, which reads:

In no case shall the storage amount exceed the difference between the estimated total production of field corn on the farm and the normal production of the marketing percentage of the farm acreage allotment.

Mr. CARLSON. I appreciate that.

Mr. ANDRESEN of Minnesota. This in part would correct the situation.

Mr. CARLSON. I still do not believe this corrects the situation when we have placed on a quota basis a farm which did not raise a corn crop for 1, 2, or 3 years, or in fact raised no corn. To establish quotas in those counties seems ridiculous and absurd, and these people will not vote to go in under a corn quota. I believe this amendment is an improvement to the bill.

Mr. ANDRESEN of Minnesota. Will the gentleman read his amendment if he has it there?

Mr. CARLSON. My amendment reads that—

The provisions of this section shall not apply in any county where, during the previous year, the average yield of corn is less than 50 percent of the average yield for the 5-year period immediately prior thereto.

This is in the commercial corn area only.

Mr. ANDRESEN of Minnesota. I have no objection to the amendment.

[Here the gavel fell.]

Mr. LUCAS. Mr. Chairman, may I ask that the gentleman's amendment be printed in the RECORD, so that I may study it overnight?

Mr. CARLSON. Mr. Chairman, I ask unanimous consent that my amendment may be considered as pending, to be acted on tomorrow.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDRESEN of Minnesota: On page 39, add a new subsection to read as follows:

"(e) The provisions of this section, 325, shall not be applicable to any farm on which the total acreage devoted to field corn less the acreage used for silage is 20 acres or less."

Mr. ANDRESEN of Minnesota. Mr. Chairman, if I may have the attention of the Committee with reference to this amendment—

Mr. GILCHRIST. Mr. Chairman, I wish to reserve a point of order on this amendment. I thought the matter of silage was going over until tomorrow by agreement.

Mr. ANDRESEN of Minnesota. I beg the gentleman's pardon, but this has nothing to do with silage.

Mr. Chairman, this amendment embodies the recommendation of the Secretary of Agriculture as originally made to our committee, exempting 20 acres of field corn. We have made exemptions for tobacco, exempting production of from 2,400 to 3,200 pounds of tobacco. We have made exemptions for 1,500 pounds of cotton. This amendment provides for an exemption of 20 acres of field corn before the marketing quota becomes effective.

Mr. JONES. Mr. Chairman, if the gentleman will yield, would the gentleman mind withholding his amendment and letting the Committee rise now, finishing his statement tomorrow?

Mr. ANDRESEN of Minnesota. I will be pleased to do so.

Mr. Chairman, I ask unanimous consent that my amendment may be considered as pending, to be acted on tomorrow, and that I be given time to speak on my amendment tomorrow.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. JONES. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and, the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8505, had come to no resolution thereon.

#### EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein certain excerpts in explanation thereof; and I make the same request in behalf of my colleague the gentleman from Texas [Mr. DIES].

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in connection with the housing bill and include a statement of my own in connection therewith.



The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUECKE of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter written by me to the Chairman of the Federal Trade Commission.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DOWELL. Mr. Speaker, I ask unanimous consent to extend in the RECORD the remarks I made today.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

#### HOOR OF MEETING TOMORROW

Mr. JONES. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. SNELL. Reserving the right to object, Mr. Speaker, does the gentleman believe the bill now under consideration will come to a vote by tomorrow night?

Mr. JONES. I may say I had hoped to get through the reading of the bill for amendment by tomorrow night, but I doubt that we can reach a vote by that time. I had hoped heretofore to reach a vote by tomorrow night, but I do not believe this is possible. We are going to try, at least, to finish the reading of the bill for amendment tomorrow.

Mr. SNELL. So the vote would come the first thing the next day?

Mr. JONES. The vote will probably come the next day.

Mr. SNELL. I have no objection, Mr. Speaker.

Mr. PATMAN. Reserving the right to object—and I shall not object—the Committee on Banking and Currency is considering the housing bill, which is considered a very important measure. This request will probably deprive us of the opportunity of holding a hearing tomorrow and will delay the presentation of the bill to the House.

Mr. JONES. Does not the committee meet near enough so it could hold a hearing?

Mr. PATMAN. The committee meets at 10:30 in the morning, and I do not think it would meet. Of course, I am not the chairman of the committee.

Mr. JONES. The extra hour will probably be taken up with a discussion of the corn features of the bill.

Mr. PATMAN. The gentleman does not believe this would interfere with the committee's meeting, then.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DEMPSEY, on account of illness.

To Mr. FLANNERY, for Thursday, on account of death in family.

To Mr. QUINN, for 3 days, on account of official business.

#### ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, December 9, 1937, at 11 o'clock a. m.

### COMMITTEE HEARINGS

#### COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Merchant Marine and Fisheries Committee will hold a public hearing on H. R. 8532, to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes, in room 219, House Office Building, on Thursday, December 9, 1937, at 10 a. m.

#### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. CROSSER's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, December 16, 1937. Business to be considered: Hearing on House Joint Resolution 389, distribution and sale of motor vehicles.

There will be a meeting of Mr. MALONEY's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, December 16, 1937. Business to be considered: Hearing on S. 1261, through-routes bill.

There will be a meeting of Mr. MARTIN's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 4, 1938. Business to be considered: Hearing on sales tax bills, H. R. 4722 and H. R. 4214.

There will be a meeting of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 11, 1938. Business to be considered: Hearing on S. 69, train-lengths bill.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

880. A letter from the Secretary of Commerce, transmitting the Twenty-fifth Annual Report of the Secretary of Commerce for the fiscal year ended June 30, 1937; to the Committee on Interstate and Foreign Commerce.

881. A letter from the Secretary of War, transmitting the draft of a bill for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama; to the Committee on Claims.

882. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a report covering the activities of the Reconstruction Finance Corporation for the third quarter of 1937, and for the period from the organization of the Corporation on February 2, 1932, to September 30, 1937, inclusive (H. Doc. No. 452); to the Committee on Banking and Currency and ordered to be printed.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOCKWEILER: A bill (H. R. 8647) to provide for the establishment of minimum labor standards in employments in and affecting interstate commerce, and for other purposes; to the Committee on Labor.

By Mr. MOSIER of Ohio: A bill (H. R. 8648) to amend section 903 (a) (2) of the Social Security Act to permit the States to begin State unemployment compensation payments; to the Committee on Ways and Means.

By Mr. KLEBERG: A bill (H. R. 8649) to amend the Commodity Exchange Act, as amended, to extend its provisions to wool and other agricultural commodities traded in for future delivery; to the Committee on Agriculture.

By Mr. MAAS: A bill (H. R. 8650) to establish a Board of Civil Service Appeals; to the Committee on the Civil Service.

By Mr. CROWE: A bill (H. R. 8651) to authorize a preliminary examination and survey of Lost River and its tributaries in the vicinity of Orleans, Ind., with a view to providing flood protection for the town of Orleans; to the Committee on Flood Control.

By Mr. McGEHEE: A bill (H. R. 8652) to amend section 204 of the act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, and for other purposes," approved February 28, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE of Ohio: A bill (H. R. 8653) to amend the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. CLARK of North Carolina: A bill (H. R. 8654) to amend the act entitled "An act authorizing the Secretary of



the Treasury to convey to the city of Wilmington, N. C., Marine Hospital Reservation", being chapter 93, United States Statutes at Large, volume 42, part 1, page 1260, approved February 17, 1923; to the Committee on Public Buildings and Grounds.

By Mr. DUNN: A bill (H. R. 8655) to provide \$200,000,000 for the prevention and the cure of cancer, infantile paralysis, tuberculosis, blindness, deafness, and other social diseases; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER: Joint resolution (H. J. Res. 529) providing for the postponement of filing undistributed profits tax returns; to the Committee on Ways and Means.

By Mr. DORSEY: Joint resolution (H. J. Res. 530) authorizing the President to invite foreign countries to participate in the ceremonies to commemorate the one hundred and fiftieth anniversary of the national ratification of the Constitution of the United States in Philadelphia, Pa., June 17 to 21, 1938; to the Committee on Foreign Affairs.

By Mr. HEALEY: Joint resolution (H. J. Res. 531) to express the disapproval of Congress of the entering into of a reciprocal-trade agreement between the United States and Czechoslovakia; to the Committee on Ways and Means.

By Mr. SHANLEY: Joint resolution (H. J. Res. 532) creating a joint committee to hold hearings, study the antitrust problems in all their interlocking components and recommend legislation for the third session of the Seventy-fifth Congress not later than February 28, 1938; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLAN of New York: A bill (H. R. 8656) for the relief of James M. D'Arcy; to the Committee on Claims.

By Mr. DOWELL: A bill (H. R. 8657) for the relief of Mary P. Fairfield; to the Committee on Claims.

By Mr. MARTIN of Massachusetts: A bill (H. R. 8658) for the relief of Antone C. Teves; to the Committee on Naval Affairs.

By Mr. SACKS: A bill (H. R. 8659) for the relief of Harry George Drachmos; to the Committee on Immigration and Naturalization.

By Mr. SHEPPARD: A bill (H. R. 8660) for the relief of Ray Woolven; to the Committee on Pensions.

Also, a bill (H. R. 8661) for the relief of Roy Masters Worley; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3545. By Mr. CURLEY: Petition of the Chamber of Commerce of State of New York, urging immediate repeal of undistributed-profits tax and the capital-gains tax; to the Committee on Ways and Means.

3546. Also, petition of the employees of Army base, Brooklyn, N. Y., endorsing the McCormack bill establishing a 5-day week for Federal employees; to the Committee on the Civil Service.

3547. By Mr. JARRETT: Petition of the Warren County (Pa.) Pomona Grange, No. 10, opposing the Black-Connery bill; to the Committee on Labor.

3548. By Mr. BOYLAN of New York: Resolution adopted by the board of directors of the American Institute of Architects favoring the repeal of the surtax on undistributed profits; to the Committee on Ways and Means.

3549. Also, resolution adopted by the Chamber of Commerce of the State of New York, favoring the repeal of the undistributed-profits tax and a modification of the capital-gains tax; to the Committee on Ways and Means.

3550. By Mr. COFFEE of Washington: Resolution of the Central Labor Council of Seattle and vicinity, affiliated with the American Federation of Labor, wholeheartedly endorsing and urging the prompt enactment of House bill 8239, known as the Federal arts bill, introduced by Mr. COFFEE of Washington; to the Committee on Education.

3551. By Mr. CULKIN: Petition of the Union Grange, No. 5, Belleville, N. Y., with 180 members, opposing enactment of the wage-hour bill; to the Committee on Labor.

3552. Also, petition of the Northeastern Forest Research Council, urging the United States Department of Agriculture to take immediate steps for control of the European spruce sawfly through use of parasites; to the Committee on Agriculture.

3553. Also, petition of the Kirkland Grange, No. 684, Redwood, N. Y., opposing passage of the train-limit bill; to the Committee on Interstate and Foreign Commerce.

3554. Also, petition of the River Bank Grange, P. of H., No. 534, Lewis County, N. Y., opposing passage of the wage and hour bill; to the Committee on Labor.

3555. By Mr. KEOGH: Petition of the United Paperboard Co., New York City, concerning the undistributed-profits tax; to the Committee on Ways and Means.

3556. Also, petition of the Greater New York Retail Furnishings & Dry Goods Association, Inc., New York City, concerning the Patman bill (H. R. 4722), manufacturer-retailer bill; to the Committee on Interstate and Foreign Commerce.

3557. By Mr. MEAD: Petition of the National Maritime Union of Buffalo, N. Y., urging boycott of goods manufactured in Italy and Germany until those countries cease participation in Spanish difficulty; to the Committee on Foreign Affairs.

3558. By the SPEAKER: Petition of the American Legion, Kings County, N. Y., concerning American citizenship certificates; to the Committee on Immigration and Naturalization.

## SENATE

THURSDAY, DECEMBER 9, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

#### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, December 8, 1937, was dispensed with, and the Journal was approved.

#### CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Johnson, Colo.	Overton
Andrews	Davis	King	Pepper
Ashurst	Dieterich	La Follette	Pittman
Austin	Donahay	Lee	Pope
Bailey	Duffy	Lewis	Radcliffe
Bankhead	Ellender	Lodge	Reynolds
Barkley	Frazier	Logan	Russell
Berry	George	Lonergan	Schwartz
Bilbo	Gerry	Lundeen	Schwellenbach
Borah	Gibson	McAdoo	Sheppard
Bridges	Gillette	McCarran	Shipstead
Brown, Mich.	Glass	McGill	Smith
Brown, N. H.	Graves	McKellar	Steiwer
Bulkeley	Green	McNary	Thomas, Okla.
Bulow	Guffey	Maloney	Thomas, Utah
Burke	Hale	Miller	Townsend
Byrd	Harrison	Minton	Truman
Byrnes	Hatch	Moore	Tydings
Capper	Hayden	Murray	Vandenberg
Caraway	Herring	Neely	Van Nuys
Chavez	Hitchcock	Norris	Wagner
Clark	Holt	Nye	Walsh
Connally	Johnson, Calif.	O'Mahoney	

Mr. LEWIS. I announce the absence of the Senator from Washington [Mr. BONE] and the Senator from Delaware [Mr. HUGHES], who are detained from the Senate because of illness.

The Senator from New Jersey [Mr. SMATHERS] is detained because of illness in his family.

The Senator from Montana [Mr. WHEELER] is necessarily detained from the Senate.